

2018 Stockholders Meeting

WELCOME

April 23, 2018
OTC: BURCA





BURNHAM HOLDINGS

PERFORMANCE PROVEN • TECHNOLOGY FORWARD

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Doug Brossman
President & CEO

April 23, 2018
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Statements in this presentation that are not historical are “forward-looking statements” and are subject to change. These statements are subject to risks and uncertainties that could cause the Company’s actual operating results to differ materially from those contemplated by the forward-looking statements. Certain non-GAAP financial measures may also be used. For further information on risk factors affecting the Company’s business, or reconciliation to appropriate GAAP measures, please refer to our most recent annual and quarterly reports available on our website at www.burnhamholdings.com. The company expressly disclaims any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Burnham Holdings, Inc. (“BHI”) is a holding company owning multiple, separate subsidiaries that each 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 BHI.



Our Vision

- To be leaders in providing thermal solutions for residential, commercial, and industrial applications, through highly efficient, dependable products and services

2017 Financial Highlights:

- **Net Sales were \$176.7 mm**
- **Gross Profit was \$37.4 mm, or 21% of Sales**
- **Reported Net income was \$1.0 mm (including a \$6mm impairment charge & \$2.2mm deferred tax revaluation)**
- **Dividends of \$0.88 per share**
- **Year End Debt of \$15 mm, supporting investments in our businesses**

**Solid Performance On Improved
Sales and Operational Performance**

BHI Subsidiary Companies

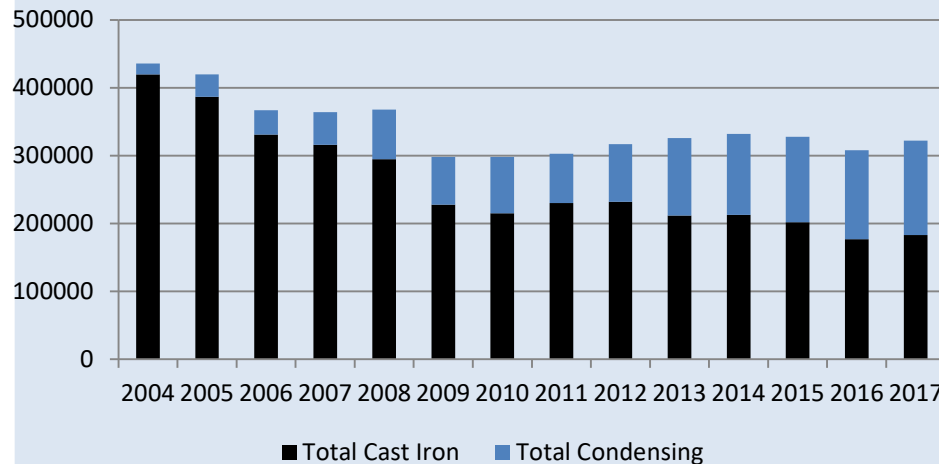
74% of Revenue

26% of Revenue

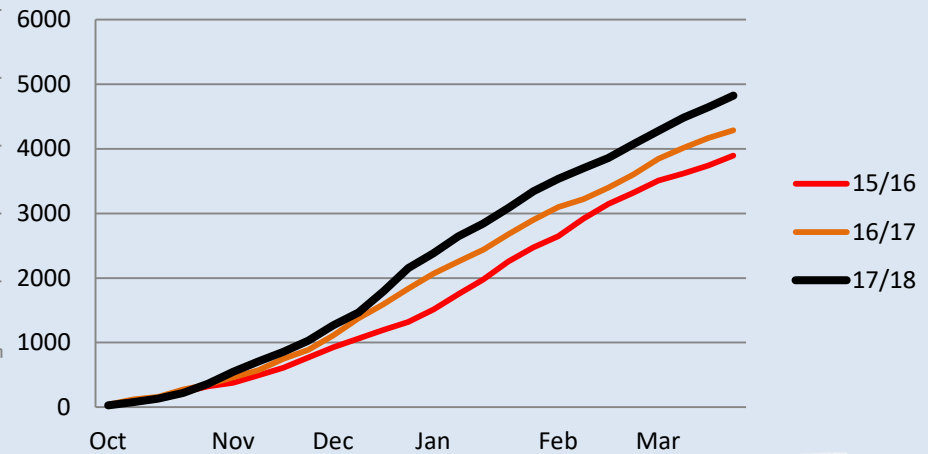
Residential Products		Commercial Boilers	Vertical Integration
Boiler	Furnace/AC/Heat Pumps		
Crown Boiler	Thermo Products	Bryan Steam	Casting Solutions
New Yorker Boiler		Burnham Commercial	Lancaster Metal Manufacturing
US Boiler		Thermal Solutions	Norwood Manufacturing Inc.
Velocity Boiler Works			



US Residential Boiler Units (2004-2017)



Winter HDD Accumulation - NA



- Res Boiler Market Units up 5%
- Our Residential Sales also up 5%
- Continued to Enhance Condensing Product Line with new 95%/10:1 and WT combi products
- Increased Investments in Sales Resources
- Increases with OEM and Large Customers



Continued Investment, Product Innovation, Marketing and Process Improvement is Key to Our Success

- Oil Furnace Market Flat in 2017
- Thermo-Pride Sales Up \$1mm
 - 5th consecutive year of Sales and Market Share Growth
- Unit Sales up 9% in Flat Market
- Success In Both Direct to Dealer and Distribution Channels
- Consolidation in NC, New Lab

Thermo Pride®



Product
Warranty
Registration



Contractor
Locator

Built Tough for Lifetime Comfort™



Oil Products

Gas Products

Air Conditioning

Heat Pumps

Air Handlers

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Thermo Pride Products

PEACE OF MIND Warranty

Thermo Pride products are backed with outstanding warranties and buyer-protection programs.

The proven longevity of Thermo Pride's octagon oil heat exchanger, combined with the Limited Lifetime Warranty, virtually eliminates the worry of ever having to replace your furnace.

When you select our heating or cooling products you're buying more than just a system - you're buying **Peace of Mind**.

Hand Built

The Highest Standards of Quality and Efficiency.



Thermo Pride products are hand built to the highest standards of quality and efficiency.

Thermo Pride provides a full range of **Energy Saving**

heating & cooling products to meet your every need, from residential spaces to commercial facilities.

Made in the USA

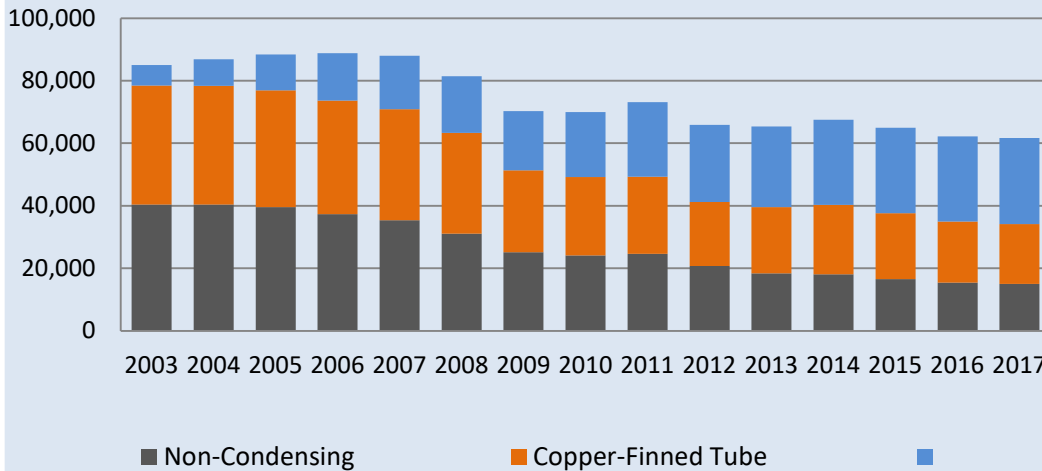
Handcrafted Products and Hometown Values

The Thermo Pride brand stands for handcrafted products and hometown values: comfort, reliability, durability, quiet operation, and high efficiency. Together they provide real value and establish the Thermo Products benchmark.

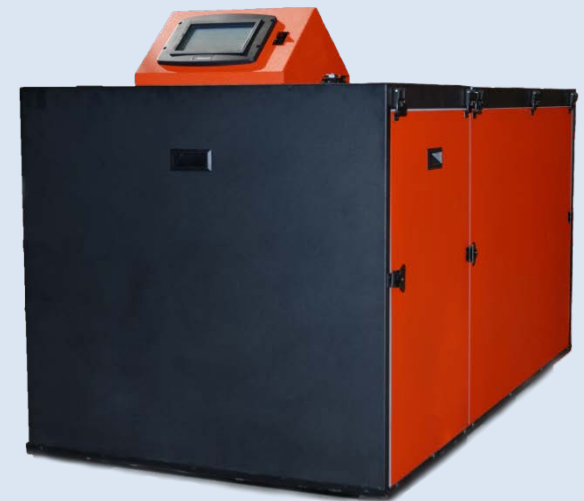
Thermo Products, for over 70 years, has focused on high quality, crafting products that last while providing the reliable service and comfort people value. Thermo Pride units are designed and built better to last longer.

**Broadening Product Offerings and Sales
Channels, Consolidating Operations**

North American Commercial Boiler Market, 2003-2017



- Commercial Sales off 3.5%
 - Condensing unit sales up 15%
- Strong Commercial Condensing New Product Pipeline
- Improved Copper Product in Pipeline
- Realignment of Engineering Team
- Realignment of Commercial Sales Team a success
- Investment in Commercial Product Lab
- Investment in Manufacturing



Thaddeus Stevens College of Technology Greiner Center Campus



Contributing to the Industry and the Community



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First Quarter Results

	2014	2015	2016	2017	2018
Net Sales (\$mm)	\$35.7	\$38.5	\$33.2	\$35.6	\$40.8
Net Income (\$mm)	(\$0.8)	(\$0.6)	(\$1.1)	(\$0.9)	(\$0.2)
EPS	(\$0.17)	(\$0.13)	(\$0.25)	(\$0.19)	(\$0.05)
Dividend/SH (Mar 2018)	\$0.21	\$0.22	\$0.22	\$0.22	\$0.22

- **Net sales up \$5.3mm, or 15%, representing highest Q1 last 5 years.**
- **Net loss for the quarter an improvement of \$0.7 million, or 78%, compared to first quarter of 2017.**
- **Total debt was \$13.9 million, up slightly versus 2017.**

Strong First Quarter Across all Product Categories



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Questions



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- **39 Years as employee of Company**
 - **24 years as President & CEO**
- **26 Years on Board of Directors**
 - **16 years as Chairman**
- **Burnham Sales when Al started with the Company were \$34mm, since then:**
 - **500% growth in Sales**
 - **\$6.6 Billion in revenue**
 - **\$240 mm in Profits**
 - **\$126 mm in Dividends**

Congratulations on a Remarkable Career



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