BURNHAM HOLDINGS, INC. REPORTS FIRST QUARTER RESULTS

Lancaster, PA April 27, 2020

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 March 29, 2020.

Burnham Holdings, Inc.'s financial performance in the first quarter of 2020 included the following:

- Net sales were $37.0 million, down $8.5 million, or 18.6%, versus 2019, as demand for residential equipment was negatively impacted by mild winter temperatures during the 2019-2020 heating season and late first quarter impacts of the COVID-19 pandemic. The decline in sales compared to last year is magnified due to 2019 first quarter sales being at their highest level in ten years.
- Gross profit as a percentage of sales was 17.6% versus 20.7% in 2019.
- First quarter 2020 net loss of $(1.1) million is a decrease of $(2.0) million compared to the $0.9 million net income reported for the first quarter of 2019.
- Total debt of $20.9 million was $1.1 million higher than last year. We have adequate available cash liquidity as we recently extended our $72 million line of credit facility to a five year term through January 31, 2025.

First quarter revenue for 2020 was $37.0 million, compared to $45.5 million during the first quarter of 2019. Sales of residential products declined by 23.6% compared to last year, as near record warm winter temperatures in our key market geographies negatively impacted demand for replacements of residential boilers. Sales of commercial products declined by 2.6% compared to the first quarter last year, however, sales of high-efficiency condensing commercial boilers increased on a year-over-year basis. Lower sales in the first quarter resulted in a net loss of $(1.1) million in 2020 compared to the net income of $0.9 million in 2019. On an earnings per share basis, the first quarter 2020 was a loss of $(0.24) per share compared to net income of $0.19 per share in the first quarter of 2019. Due to the seasonal nature of our subsidiary company sales, the first quarter provides the lowest quarterly sales of our fiscal year. We would therefore advise caution when using first quarter results as an indicator of full year performance.

Our operations were affected in the latter stages of the first quarter by the COVID-19 pandemic as each state, in which our subsidiaries operate, implemented "stay at home" orders curtailing business operations. All of our facilities have been permitted to continue operations under these orders as essential businesses. Each of our subsidiaries have modified operations to maximize social distancing and employee safety, including staggered work times, increased daily cleaning, enhanced work from home capabilities, elimination of non-essential travel, and provision of appropriate personal protective equipment. We are tremendously proud of our co-workers at all levels for reacting quickly and executing on difficult decisions to ensure the well-being of our employees, our customers, our communities, and our businesses. Other actions include a variety of expense controls put in place to offset the uncertain business environment. We are, however, at the present time continuing our planned investments in new product development and sales and marketing as we execute our strategic plans. As mentioned above, we recently extended the term of our $72 million credit line for a five year term and believe we have adequate borrowing reserves to properly fund our working capital needs during the balance of 2020.

Due to the unprecedented impacts to the economy resulting from the COVID-19 pandemic, the overall outlook for the remainder of the year for our various businesses is uncertain. While our subsidiary companies have been able to keep operating, numerous state regulations have negatively impacted the contracting and construction industries' ability to operate, creating near term demand challenges.

The Burnham Holdings, Inc. 2020 Annual Meeting of Stockholders is being held today as a virtual webcast from Lancaster, PA beginning at 11:30 a.m. A press release regarding 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	
	March 29, 2020	March 31, 2019
Net sales	**$ 36,999**	$ 45,457
Cost of goods sold	**30,491**	36,038
Gross profit	**6,508**	9,419
Selling, general and administrative expenses	**7,931**	8,268
Operating (loss) income	**(1,423)**	1,151
Other income (expense):		
Interest and investment income	**54**	28
Non-service related pension credit	**161**	145
Interest expense	**(187)**	(201)
Other income (expense)	**28**	(28)
(Loss) Income before income taxes	**(1,395)**	1,123
Income tax (benefit) expense	**(321)**	258
NET (LOSS) INCOME	**$ (1,074)**	$ 865
BASIC (LOSS) EARNINGS PER SHARE (Note 1)	**$ (0.24)**	$ 0.19
DILUTED (LOSS) EARNINGS PER SHARE (Note 1)	**$ (0.24)**	$ 0.19
COMMON STOCK DIVIDENDS PAID	**$ 0.22**	$ 0.22

Consolidated Balance Sheets

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

ASSETS	**March 29, 2020**	March 31, 2019
CURRENT ASSETS		
Cash and cash equivalents	**$ 5,844**	$ 5,465
Trade accounts receivable, less allowances	**13,496**	16,345
Inventories	**54,815**	52,955
Prepaid expenses and other current assets	**1,549**	2,233
TOTAL CURRENT ASSETS	**75,704**	76,998
PROPERTY, PLANT AND EQUIPMENT, net	**52,722**	50,458
OPERATING LEASE RIGHT OF USE ASSETS	**4,092**	1,370
OTHER ASSETS, net	**11,059**	9,773
TOTAL ASSETS	**$ 143,577**	$ 138,599
LIABILITIES AND STOCKHOLDERS' EQUITY	**2020**	2019
CURRENT LIABILITIES		
Accounts and taxes payable & accrued expenses	**$ 20,250**	$ 22,412
Current portion of long-term liabilities	**152**	136
Current portion of operating lease liabilities	**919**	968
Current portion of long-term debt	**-**	4,000
TOTAL CURRENT LIABILITIES	**21,321**	27,516
LONG-TERM DEBT	**20,854**	15,725
LONG-TERM OPERATING LEASE LIABILITIES	**3,174**	402
OTHER POSTRETIREMENT LIABILITIES (Notes 4 and 5)	**7,815**	11,418
DEFERRED INCOME TAXES (Note 4)	**5,917**	4,182
STOCKHOLDERS' EQUITY		
Preferred Stock	**530**	530
Class A Common Stock	**3,536**	3,518
Class B Convertible Common Stock	**1,407**	1,425
Additional paid-in capital	**16,034**	15,912
Retained earnings	**112,063**	109,472
Accumulated other comprehensive income (loss) (Note 4)	**(31,101)**	(33,519)
Treasury stock, at cost	**(17,973)**	(17,982)
TOTAL STOCKHOLDERS' EQUITY	**84,496**	79,356
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 143,577**	$ 138,599

Consolidated Statements of Cash Flows

(in thousands and data is unaudited (see Notes))	Three Months ended Mar 29, 2020	Mar 31, 2019
Net income	**$ (1,074)**	$ 865
Depreciation and amortization	**1,057**	1,031
Pension and postretirement liabilities expense	**59**	75
Contributions to pension trust (Note 5)	**(720)**	-
Other net adjustments	**(1,058)**	(1,097)
Changes in operating assets and liabilities	**(1,159)**	(2,478)
NET CASH USED IN OPERATING ACTIVITIES	**(2,895)**	(1,604)
Net cash used in the purchase of assets	**(1,321)**	(1,494)
Proceeds from borrowings	**5,313**	1,166
Proceeds from stock option exercise and Treasury activity, net	**-**	-
Principal payments on debt and lease obligations	**-**	-
Dividends paid	**(1,002)**	(1,002)
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**95**	(2,934)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	**5,749**	8,399
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	**$ 5,844**	$ 5,465

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 March 29, 2020 includes 3,153,757 of Class A shares and 1,407,822 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, 2019 and 2018, 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 2019 Annual Report for more details).

(5) In the first quarter of 2020, the Company made a voluntary pre-tax contribution of $0.72 million to its defined benefit pension plan. This payment increased the trust assets available for benefit payments (reducing "Other postretirement liabilities"), and did not impact the Statement of Income. There were no voluntary contributions made in the first quarter of 2019.

(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 2019 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, 2019. 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 2019 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 Standard:

During February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (ASC 842). ASC 842 requires lessees to recognize the assets and liabilities that arise from all leases that exceed twelve months in duration on the balance sheet, regardless if they are operating or financing type leases. A lessee shall recognize on the balance sheet a liability to make future lease payments (the lease liability) and a right-of-use asset representing the value of the right to use the asset for the remaining term of the lease agreement. ASC 842 is effective for annual periods beginning after December 15, 2018, including interim periods. The Company adopted ASC 842 effective January 1, 2019 using the optional transition method described in ASU No. 2018-11, 'Leases - Targeted Improvements', which was issued in July, 2018. Under the optional transition method, the Company recognized any cumulative impact of initially applying ASC 842 as an adjustment to the opening balance of retained earnings as of January 1, 2019.

The Company balance sheet at March 29, 2020 and March 31, 2019 includes total right-of-use asset values of $4,092 and $1,370, respectively; current liabilities of $(919) and $(968), respectively; and long-term liabilities of $(3,174) and $(402), respectively, related to future lease payments. Leases at all of the Company's subsidiaries have been classified as operating leases. Therefore, all lease payments made with respect to outstanding leases are reported as lease expense. For the quarters ended March 29, 2020 and March 31, 2019, total lease expenses of $302 and $299, respectively, were included in the calculation of operating income. Lease accounting details are explained in greater detail in the 2019 Annual Report.

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 2020 first quarter charges for all uninsured litigation of every kind, were $52 thousand. Expenses for legal counsel, consultants, etc., in defending these various actions and claims for the quarter were approximately $19 thousand. Prior year's settlements and expenses, including amounts for self-insured asbestos cases, are disclosed in the 2019 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 2019 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.