

Burnham Holdings, Inc. Announces Record 2024 Financial Results and Declares Dividend

Lancaster, PA

February 20, 2025

Burnham Holdings, Inc. (OTC-Pink: BURCA) (“BHI”, the “Company”, “we” or “our”) today reported its consolidated financial results for the fourth quarter and full year of 2024, setting new all-time highs in net sales, net income and earnings per share. Where noted, prior periods presented have been restated for a voluntary change in accounting principle related to our last-in, first-out (LIFO) inventory valuation as disclosed in our 2023 Annual Report.

- Net sales were \$94.1 million for the fourth quarter of 2024, an increase of \$12.5 million, or 15.4%, versus the fourth quarter of 2023. Year to date net sales were \$270.2 million, an increase of \$17.2 million, or 6.8%, versus 2023. The net sales figure for 2024 eclipses last year’s previous record high net sales number.
- Gross profit margin was 24.4% and 26.9% for the fourth quarters of 2024 and 2023, respectively. Year to date gross profit margins were 22.6% for 2024 versus 23.6% for 2023. Product mix and temporary inefficiencies from unplanned downtime adversely impacted both fourth quarter and full year 2024 gross profit margins.
- Selling, general, and administrative expenses (SG&A) were lower by \$0.6 million and higher by \$1.4 million for the fourth quarter 2024 and the full year 2024, respectively, versus the same periods last year. Included within SG&A expenses were adjustments to reserves related to uninsured litigation settlements and fees. Excluding these impacts, adjusted SG&A as a percentage of sales in the fourth quarter of 2024 was 10.2% compared to 15.9% for the fourth quarter of 2023.
- Adjusted EBITDA was \$27.6 million, or 10.2%, for the year ended 2024 versus \$20.2 million, or 8.0%, for the year ended 2023. Adjusted EBITDA excludes the impact of the reserve adjustments noted above.
- Net income for 2024 was \$12.0 million, a new consolidated record, compared to \$9.4 million in 2023. Adjusted net income, excluding reserve adjustments, for 2024 was \$15.3 million versus net income of \$9.4 million for 2023.
- Adjusted diluted earnings per share for 2024 and 2023 were \$3.23 and \$2.02, respectively. Adjusted diluted earnings per share excludes \$0.70 per share related to the reserve adjustments noted above for 2024.

For 2024, sales of residential products were higher by 3.0% versus 2023, while sales of commercial products were up 8.8% in 2024 versus 2023. Thermal InMotion continues to expand BHI’s capabilities into previously unserved segments of the HVAC industry, and we are pleased with the results. The service and rentals businesses contributed \$8.8 million in 2024 compared to \$2.6 million in 2023. Overall, we continue to believe order flow and our current backlogs are in line with seasonal operating patterns and 2025 is expected to follow the same manner.

Average debt levels of the Company’s revolving credit facility for the fourth quarter of 2024 were approximately \$2.3 million lower than the fourth quarter of 2023. On a year over year basis, the average debt levels on the revolving credit facility were approximately \$7.8 million lower. We continue to evaluate our working capital needs, including inventory levels, to ensure we can appropriately meet production volumes and fund future growth initiatives.

At its meeting on February 20, 2025, Burnham Holdings, Inc.’s Board of Directors declared a quarterly common stock dividend of \$0.23 per share payable March 27, 2025, with a record date of March 20, 2025. Additionally, the Board of Directors amended the bylaws to confirm the ability to provide notice to shareholders and/or directors via electronic mail.

Burnham Holdings, Inc.’s Annual Meeting, with a shareholder record date of March 3, 2025, will be held virtually via a secure website meeting platform on Monday, April 28, 2025, beginning at 11:30 a.m. eastern.

About Burnham Holdings, Inc.: BHI is the parent company of multiple subsidiaries that are leading domestic manufacturers of boilers, furnaces and related HVAC products and accessories for residential, commercial, and industrial applications. BHI is listed on the OTC Exchange under the ticker symbol “BURCA”. For more information, please visit www.burnhamholdings.com.

Non-GAAP Financial Information: This press release contains certain non-GAAP financial measures, including adjusted SG&A, EBITDA, Adjusted EBITDA, Adjusted Net Income and adjusted diluted earnings per share. These non-GAAP financial measures do not provide investors with an accurate measure of, and should not be used as a substitute for, the comparable financial measures as determined in accordance with accounting principles generally accepted in the United States (“GAAP”). The Company believes these non-GAAP financial measures, when read in conjunction with the comparable GAAP financial measures, give investors a useful tool to assess and understand the Company’s overall financial performance, because they exclude items of income or expense that the Company believes are not reflective of its ongoing operating performance, allowing for a better period-to-period comparison of operations of the Company. The Company acknowledges that there are many items that impact a company’s reported results, and the adjustments reflected in these non-GAAP measures are not intended to present all items that may have impacted these results. In addition, these non-GAAP measures are not necessarily comparable to similarly titled measures used by other companies.

Burnham Holdings, Inc.
Consolidated Statements of Income
(In thousands, except per share amounts)

	(Unaudited)		(Unaudited)	
	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net sales	\$ 94,102	\$ 81,576	\$ 270,185	\$ 252,982
Cost of goods sold	71,116	59,610	209,151	193,223
Gross profit	22,986	21,966	61,034	59,759
Selling, general and administrative expenses	12,415	12,973	44,530	43,137
Investment impairment loss	-	2,298	-	2,298
Operating income	10,571	6,695	16,504	14,324
Other (expense) / income:				
Non-service related pension credit	(5)	(355)	369	57
Interest and investment gain (loss)	(20)	605	892	872
Interest expense	(543)	(626)	(2,069)	(2,733)
Other expense	(568)	(376)	(808)	(1,804)
Income before income taxes	10,003	6,319	15,696	12,520
Income tax expense	2,435	1,668	3,744	3,094
Net income	<u>\$ 7,568</u>	<u>\$ 4,651</u>	<u>\$ 11,952</u>	<u>\$ 9,426</u>
Earnings per share:				
Basic	\$ 1.63	\$ 1.01	\$ 2.57	\$ 2.04
Diluted	\$ 1.60	\$ 0.99	\$ 2.53	\$ 2.02
	\$ 0.23	\$ 0.22	\$ 0.92	\$ 0.88

Burnham Holdings, Inc.
Consolidated Balance Sheets
December 31, 2024 and 2023
(In thousands)

<u>ASSETS</u>	(Unaudited)	
	2024	2023
Current Assets		
Cash and cash equivalents	\$ 6,350	\$ 5,880
Trade accounts receivable, net	28,606	31,023
Inventories, net	54,908	58,017
Costs in Excess of Billings	141	621
Prepaid expenses and other current assets	4,426	1,954
Total Current Assets	<u>94,431</u>	<u>97,495</u>
Property, plant and equipment, net	70,144	64,437
Lease assets	6,578	4,119
Other long-term assets	23,756	18,620
Total Assets	<u>\$ 194,909</u>	<u>\$ 184,671</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current Liabilities		
Accounts payable & accrued expenses	\$ 35,509	\$ 35,365
Billings in excess of costs	1,698	137
Current portion of:		
Long-term liabilities	772	1,171
Lease liabilities	1,310	1,051
Long-term debt	184	184
Total Current Liabilities	<u>39,473</u>	<u>37,908</u>
Long-term debt	22,273	27,232
Lease liabilities	5,268	3,068
Other long-term liabilities	4,823	5,933
Deferred income taxes	9,793	9,095
Shareholders' Equity		
Preferred Stock	530	530
Class A Common Stock	3,633	3,633
Class B Convertible Common Stock	1,311	1,311
Additional paid-in capital	10,799	11,769
Retained earnings	128,884	121,291
Accumulated other comprehensive loss	(20,820)	(24,668)
Treasury stock, at cost	(11,058)	(12,431)
Total Shareholders' Equity	<u>113,279</u>	<u>101,435</u>
Total Liabilities and Shareholders' Equity	<u>\$ 194,909</u>	<u>\$ 184,671</u>

Burnham Holdings, Inc.
Consolidated Statements of Cash Flows
Years ended December 31, 2024 and 2023
(In thousands)

	(Unaudited)	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 11,952	\$ 9,426
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,445	4,984
Investment impairment loss	-	2,298
Deferred income taxes	(451)	(161)
Provision for long-term employee benefits	(434)	(22)
Share-based compensation expense	474	702
Other reserves and allowances	1,758	(64)
Changes in current assets and liabilities, net of acquisition:		
Decrease (increase) in accounts receivable, net	2,393	(695)
Decrease in inventories, net	3,109	3,791
(Increase) decrease in other current assets	(1,613)	1,733
Decrease in other current liabilities	(523)	(870)
Net cash provided by operating activities	22,110	21,122
Cash flows from investing activities:		
Capital expenditures	(11,152)	(9,370)
Investment in EnviroPower	-	(141)
Purchase of CSI	(1,100)	(2,277)
Other investing activities	-	(9)
Net cash used by investing activities	(12,252)	(11,797)
Cash flows from financing activities:		
Net proceeds from revolver	(4,774)	(6,305)
Repayment of term loan	(184)	-
Share-based compensation activity	(71)	-
Dividends paid	(4,359)	(4,134)
Net cash used by financing activities	(9,388)	(10,439)
Net increase (decrease) in cash and cash equivalents	\$ 470	\$ (1,114)
Cash and cash equivalents, beginning of period	5,880	6,994
Net increase (decrease) in cash and cash equivalents	470	(1,114)
Cash and cash equivalents, end of period	\$ 6,350	\$ 5,880

Burnham Holdings, Inc.
Consolidated Statements of Shareholders' Equity
Years ended December 31, 2024 and 2023
(In thousands except per share amounts)

	Preferred Stock	Class A Common Stock	Class B Convertible Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at Cost	Shareholders' Equity
Balance at December 31, 2022 (as restated)	<u>\$ 530</u>	<u>\$ 3,626</u>	<u>\$ 1,318</u>	<u>\$ 11,928</u>	<u>\$ 115,999</u>	<u>\$ (27,549)</u>	<u>\$ (13,292)</u>	<u>\$ 92,560</u>
Net income	-	-	-	-	9,426	-	-	9,426
Other comprehensive income, net of tax	-	-	-	-	-	2,881	-	2,881
Cash dividends declared:								
Preferred stock - 6%	-	-	-	-	(18)	-	-	(18)
Common stock - (\$0.88 per share)	-	-	-	-	(4,116)	-	-	(4,116)
Share-based compensation:								
Expense recognition	-	-	-	702	-	-	-	702
Issuance of vested shares	-	-	-	(861)	-	-	861	-
Conversion of common stock	-	7	(7)	-	-	-	-	-
Balance at December 31, 2023	<u>\$ 530</u>	<u>\$ 3,633</u>	<u>\$ 1,311</u>	<u>\$ 11,769</u>	<u>\$ 121,291</u>	<u>\$ (24,668)</u>	<u>\$ (12,431)</u>	<u>\$ 101,435</u>
Net income	-	-	-	-	11,952	-	-	11,952
Other comprehensive income, net of tax	-	-	-	-	-	3,848	-	3,848
Cash dividends declared:								
Preferred stock - 6%	-	-	-	-	(18)	-	-	(18)
Common stock - (\$0.92 per share)	-	-	-	-	(4,341)	-	-	(4,341)
Share-based compensation:								
Expense recognition	-	-	-	474	-	-	-	474
Issuance of vested shares	-	-	-	(1,444)	-	-	1,373	(71)
Balance at December 31, 2024 (Unaudited)	<u>\$ 530</u>	<u>\$ 3,633</u>	<u>\$ 1,311</u>	<u>\$ 10,799</u>	<u>\$ 128,884</u>	<u>\$ (20,820)</u>	<u>\$ (11,058)</u>	<u>\$ 113,279</u>

Burnham Holdings, Inc.
Non-GAAP Reconciliations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended, December 31, 2024			Year Ended December 31, 2024		
	GAAP	Adjustments	Adjusted	GAAP	Adjustments	Adjusted
Selling, general and administrative expenses	\$ 12,415	\$ (2,841)	\$ 9,574	\$ 44,530	\$ (4,377)	\$ 40,153
Net sales	\$ 94,102	\$ -	\$ 94,102	\$ 270,185	\$ -	\$ 270,185
SG&A as percent of sales	13.2%		10.2%	16.5%		14.9%

	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net sales	\$ 94,102	\$ 81,576	\$ 270,185	\$ 252,982
Net income	\$ 7,568	\$ 4,651	\$ 11,952	\$ 9,426
Exclude:				
Income tax expense	2,435	1,668	3,744	3,094
Interest expense	543	626	2,069	2,733
Depreciation and amortization	1,414	1,254	5,445	4,984
EBITDA	\$ 11,960	\$ 8,199	\$ 23,210	\$ 20,237
EBITDA as a percent of net sales	12.7%	10.1%	8.6%	8.0%
EBITDA	\$ 11,960	\$ 8,199	\$ 23,210	\$ 20,237
Adjustments	2,841	-	4,377	-
Adjusted EBITDA	\$ 14,801	\$ 8,199	\$ 27,587	\$ 20,237
Adjusted EBITDA as a percent of net sales	15.7%	10.1%	10.2%	8.0%

	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net income	\$ 7,568	\$ 4,651	\$ 11,952	\$ 9,426
Adjustments, net of tax	2,150	-	3,333	-
Adjusted net income	\$ 9,718	\$ 4,651	\$ 15,285	\$ 9,426
Diluted weighted-average shares outstanding	4,732	4,629	4,723	4,659
Diluted earnings per share	\$ 1.60	\$ 0.99	\$ 2.53	\$ 2.02
Adjusted diluted earnings per share	\$ 2.05	\$ 0.99	\$ 3.23	\$ 2.02