

Burnham Holdings, Inc. Announces First Quarter 2025 Financial Results

Lancaster, PA

April 28, 2025

Burnham Holdings, Inc. (OTC-Pink: BURCA) (“BHI”, the “Company”, “we” or “our”) today reported its consolidated financial results for the quarter ended March 30, 2025.

- Net sales were \$64.8 million for the first quarter of 2025, an increase of \$8.8 million, or 15.8%, versus the first quarter of 2024.
- Gross profit margin was 25.4% and 24.9% for the first quarters of 2025 and 2024, respectively. Operating efficiencies in the Commercial businesses were offset by product mix and temporary inefficiencies at certain of our vertically integrated manufacturing facilities.
- Selling, general, and administrative expenses (SG&A) were flat versus the prior year. SG&A as a percentage of sales in the first quarter of 2025 was 18.4% compared to 17.9% for the first quarter of 2024. Although higher on a percentage basis quarter over quarter, SG&A spend for 2025 was in line with expectations of planned initiative spending.
- Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) was \$6.0 million, or 9.3% of net sales, for the first quarter of 2025 versus \$5.6 million, or 9.9% of net sales, for the first quarter of 2024.
- Net income for the first quarter of 2025 was \$3.4 million compared to \$3.0 million in the first quarter of 2024.
- Diluted earnings per share were \$0.72 and \$0.64 for the first quarters of 2025 and 2024, respectively.

For the first quarter of 2025, net sales of residential products were higher by 20.1% versus 2024, and net sales of commercial products were up 2.6% versus 2024. Net sales of Service and Rentals businesses were up 40.1% for the first quarter of 2025 versus the first quarter of 2024. 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 first quarter of 2025 were approximately \$3.3 million lower than the first quarter of 2024. On an absolute basis, total debt was down \$8.2 million for the first quarter of 2025 versus the first quarter of 2024. Through rigorous discipline, we are focused on reducing working capital needs in an effort to operate on a leaner basis. These efforts have led to \$8.1 million lower year-over-year inventories which has a direct correlation to debt, as well as improving operating cash flow. We continue to evaluate our working capital needs, including inventory levels, to ensure we can appropriately meet production volumes and fund future growth initiatives.

Earlier this month, we announced the winddown of production efforts at Crown Boiler in Philadelphia, PA. This strategic decision is expected to drive manufacturing efficiency, improve production flexibility, and support the Company’s long-term growth objectives.

Burnham Holdings, Inc.’s 2025 Annual Meeting of Shareholders is being held today virtually via a secure website meeting platform at 11:30 a.m. Eastern Time. A press release regarding today’s shareholder voting and the Board of Directors determination regarding declaration of a quarterly dividend will be released later this afternoon.

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.

Safe Harbor Statement: This Press Release contains forward-looking statements. Other reports, letters, press releases and investor presentations distributed or made available by the Company may also contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates, and projections, and you should therefore not place undue reliance on them. Forward-looking statements speak only

as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, variations in weather, changes in the regulatory environment, litigation, customer preferences, general economic conditions, technology, product performance, raw material costs, and increased competition.

Non-GAAP Financial Information: This press release may contain certain non-GAAP financial measures, including, but not limited to, 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)

| | Three Months Ended | |
|--|---------------------------|---------------------------|
| | March 30, 2025 | March 31, 2024 |
| Net sales | \$ 64,834 | \$ 56,003 |
| Cost of goods sold | 48,334 | 42,047 |
| Gross profit | 16,500 | 13,956 |
| Selling, general and administrative expenses | 11,929 | 10,022 |
| Investment impairment loss | - | - |
| Operating income | 4,571 | 3,934 |
| Other (expense) / income: | | |
| Non-service related pension credit | 50 | 137 |
| Interest and investment gain (loss) | (6) | 110 |
| Interest expense | (239) | (296) |
| Other expense | (195) | (49) |
| Income before income taxes | 4,376 | 3,885 |
| Income tax expense | 1,005 | 894 |
| Net income | <u>\$ 3,371</u> | <u>\$ 2,991</u> |
| | | |
| Earnings per share: | | |
| Basic | \$ 0.72 | \$ 0.65 |
| Diluted | \$ 0.72 | \$ 0.64 |
| Cash dividends per share | \$ 0.23 | \$ 0.23 |

Burnham Holdings, Inc.
Consolidated Balance Sheets
(In thousands)

| | (Unaudited) March 30, 2025 | December 31, 2024 | (Unaudited) March 31, 2024 |
|--|----------------------------------|----------------------|----------------------------------|
| <u>ASSETS</u> | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 6,284 | \$ 6,350 | \$ 5,930 |
| Trade accounts receivable, net | 21,667 | 28,606 | 19,188 |
| Inventories, net | 59,171 | 54,908 | 67,297 |
| Costs in excess of billings | 203 | 141 | 790 |
| Prepaid expenses and other current assets | 2,949 | 4,426 | 5,080 |
| Total Current Assets | 90,274 | 94,431 | 98,285 |
| Property, plant and equipment, net | 71,691 | 70,144 | 66,203 |
| Lease assets | 5,633 | 6,005 | 4,060 |
| Other long-term assets | 23,296 | 23,756 | 19,063 |
| Total Assets | \$ 190,894 | \$ 194,336 | \$ 187,611 |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | | |
| Current Liabilities | | | |
| Accounts payable & accrued expenses | \$ 29,312 | \$ 35,509 | \$ 31,046 |
| Billings in excess of costs | 1,304 | 1,698 | 218 |
| Current portion of: | | | |
| Long-term liabilities | 772 | 772 | 1,171 |
| Lease liabilities | 1,312 | 1,348 | 1,043 |
| Long-term debt | 184 | 184 | 184 |
| Total Current Liabilities | 32,884 | 39,511 | 33,662 |
| Long-term debt | 23,883 | 22,273 | 32,125 |
| Lease liabilities | 4,321 | 4,657 | 3,017 |
| Other long-term liabilities | 4,581 | 4,823 | 5,907 |
| Deferred income taxes | 9,736 | 9,793 | 9,186 |
| Shareholders' Equity | | | |
| Preferred Stock | 530 | 530 | 530 |
| Class A Common Stock | 3,642 | 3,633 | 3,633 |
| Class B Convertible Common Stock | 1,302 | 1,311 | 1,311 |
| Additional paid-in capital | 10,918 | 10,799 | 11,869 |
| Retained earnings | 131,183 | 128,884 | 123,217 |
| Accumulated other comprehensive loss | (21,028) | (20,820) | (24,415) |
| Treasury stock, at cost | (11,058) | (11,058) | (12,431) |
| Total Shareholders' Equity | 115,489 | 113,279 | 103,714 |
| Total Liabilities and Shareholders' Equity | \$ 190,894 | \$ 194,336 | \$ 187,611 |

Burnham Holdings, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

| | Three Months Ended | |
|---|---------------------------|---------------------------|
| | March 30, 2025 | March 31, 2024 |
| Cash flows from operating activities: | | |
| Net income | \$ 3,371 | \$ 2,991 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,393 | 1,370 |
| Deferred income taxes | 5 | 17 |
| Provision for long-term employee benefits | (50) | (125) |
| Share-based compensation expense | 119 | 100 |
| Other reserves and allowances | (2,206) | (1,226) |
| Changes in current assets and liabilities, net of acquisition: | | |
| Decrease in accounts receivable, net | 6,920 | 11,817 |
| Increase in inventories, net | (4,263) | (9,279) |
| Decrease (increase) in other current assets | 726 | (3,214) |
| Decrease in other current liabilities | (3,666) | (3,087) |
| Net cash provided by (used by) operating activities | 2,349 | (636) |
| Cash flows from investing activities: | | |
| Capital expenditures | (2,953) | (3,134) |
| Other investing activities | - | (8) |
| Net cash used by investing activities | (2,953) | (3,142) |
| Cash flows from financing activities: | | |
| Net proceeds from revolver | 1,656 | 4,939 |
| Repayment of term loan | (46) | (46) |
| Dividends paid | (1,072) | (1,065) |
| Net cash provided by financing activities | 538 | 3,828 |
| Net (decrease) increase in cash and cash equivalents | \$ (66) | \$ 50 |
| Cash and cash equivalents, beginning of period | \$ 6,350 | \$ 5,880 |
| Net increase (decrease) in cash and cash equivalents | (66) | 50 |
| Cash and cash equivalents, end of period | \$ 6,284 | \$ 5,930 |

Burnham Holdings, Inc.
Consolidated Statements of Shareholders' Equity
(In thousands)
(Unaudited)

| | 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, 2023 | \$ 530 | \$ 3,633 | \$ 1,311 | \$ 11,769 | \$ 121,291 | \$ (24,668) | \$ (12,431) | \$ 101,435 |
| Net income | - | - | - | - | 2,991 | - | - | 2,991 |
| Other comprehensive income, net of tax | - | - | - | - | - | 253 | - | 253 |
| Cash dividends declared: Common stock - (\$0.23 per share) | - | - | - | - | (1,065) | - | - | (1,065) |
| Share-based compensation: Expense recognition | - | - | - | 100 | - | - | - | 100 |
| Balance at March 31, 2024 | \$ 530 | \$ 3,633 | \$ 1,311 | \$ 11,869 | \$ 123,217 | \$ (24,415) | \$ (12,431) | \$ 103,714 |
| | 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, 2024 | \$ 530 | \$ 3,633 | \$ 1,311 | \$ 10,799 | \$ 128,884 | \$ (20,820) | \$ (11,058) | \$ 113,279 |
| Net income | - | - | - | - | 3,371 | - | - | 3,371 |
| Other comprehensive loss, net of tax | - | - | - | - | - | (208) | - | (208) |
| Cash dividends declared: Common stock - (\$0.22 per share) | - | - | - | - | (1,072) | - | - | (1,072) |
| Share-based compensation: Expense recognition | - | - | - | 119 | - | - | - | 119 |
| Conversion of common stock | - | 9 | (9) | - | - | - | - | - |
| Balance at March 30, 2025 | \$ 530 | \$ 3,642 | \$ 1,302 | \$ 10,918 | \$ 131,183 | \$ (21,028) | \$ (11,058) | \$ 115,489 |