

Burnham Holdings, Inc. Announces Second Quarter 2025 Financial Results

Strategic Portfolio Adjustments Drive Strong Growth and Enhanced Focus for Long-Term Value Creation

LANCASTER, Pa., (July 24, 2025) - Burnham Holdings, Inc. (OTC-Pink: BURCA) ("BHI", the "Company", "we" or "our") today reported its consolidated financial results for the second quarter of 2025, demonstrating robust growth driven by strategic portfolio adjustments aimed at strengthening its core boiler business and expanding high-growth commercial and industrial service offerings. The financial statement presentation has been adjusted to reflect the previously announced divestiture of its subsidiaries Thermo Pride, LLC (TP) and Norwood Manufacturing, Inc. (NMI) as discontinued operations.

- **Strong Top-Line Growth:** Net sales for the second quarter of 2025 reached \$53.0 million, an 8.5% increase (\$4.1 million) over the second quarter of 2024. Year-to-date net sales climbed to \$108.7 million, up from \$97.7 million in the first half of 2024.
- **Solid Gross Profit Margins:** The Company maintained strong gross profit margins of 21.6% in the second quarter of 2025, reflecting operational efficiencies in the Commercial businesses.
- **Strategic SG&A Investment:** Selling, general, and administrative expenses (SG&A) increased by 18.3% in the second quarter and 18.2% in the first half of 2025, aligning with planned initiative spending to support long-term growth.
- **Enhanced Profitability Metrics:** Adjusted EBITDA for the first half of 2025 reached \$9.0 million (7.5% of net sales), an increase from \$8.5 million in the first half of 2024. Adjusted net income for Q2 2025 rose to \$1.1 million (vs. \$0.8 million prior year), with first-half adjusted net income at \$4.5 million (vs. \$3.8 million). These adjusted figures exclude the gain from the sale of TP and NMI, as well as impairment losses from the previously announced wind down of production activities at Crown Boiler.
- **Increased Shareholder Value:** Adjusted diluted earnings per share for the second quarter of 2025 improved to \$0.23, up from \$0.18 in 2024. Year-to-date adjusted diluted earnings per share were \$0.95, compared to \$0.81 for the first half of 2024.

"Burnham Holdings' second quarter results reflect not only strong operational performance across our continuing businesses, but also the positive impact of critical strategic decisions made to sharpen our focus and enhance financial flexibility," stated Chris Drew, President and CEO of Burnham Holdings. "Our strategic portfolio adjustments, including the divestiture of Thermo Pride and Norwood Manufacturing and the wind down of Crown Boiler operations, are pivotal steps in our unified strategy to build an even more agile, focused, and financially robust company, ultimately creating enhanced long-term value for our shareholders. These decisive actions underscore our commitment to optimizing performance and seizing future growth opportunities."

As previously announced on April 7, 2025, BHI initiated a plan to strategically wind down operations at Crown Boiler. This forward-looking decision is integral to driving manufacturing efficiency, improving production flexibility, and directly supports the Company's long-term growth objectives. This further enables BHI and its subsidiaries to enhance product integration, streamline operations, and standardize offerings across its portfolio. While this strategic realignment involved recorded impairment charges totaling \$3.1 million in the second quarter, it was a necessary step to optimize BHI's operational footprint and focus resources towards its most promising growth avenues. These charges included \$1.5 million of goodwill relating to the acquisition of Crown in 2003, \$0.2 million of accelerated depreciation and \$1.4 million of inventory reserves.

Building on this strategic momentum, BHI also substantially divested all of the assets of TP and NMI, as announced on May 5, 2025. This significant transaction aligns with the holding company's long-term vision to strengthen its core boiler business while expanding its commercial and industrial rental and service operations. The transaction successfully closed for \$27.3 million, yielding net cash proceeds of \$23.7 million after accounting for customary adjustments and transaction expenses. A book gain of \$8.1 million (\$6.2 million net of tax) was realized in the second quarter. Importantly, the proceeds were applied to outstanding debt on our revolving credit facility, which significantly drove down total debt and resulted in a substantial year-over-year decrease in interest expense. Through rigorous discipline around working capital management, average debt levels continue to sharply decrease on a year-over-year basis. 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.

These key strategic actions – the divestiture of TP and NMI, along with planned wind down of manufacturing operations at Crown Boiler – underscores BHI's commitment to its core boiler operations. The company's strategic longer-term focus remains firmly on growing and developing its commercial and industrial boiler service and installation business, including expansion of its mobile boiler room offerings. The enhanced debt capacity resulting from these initiatives provides valuable flexibility, allowing BHI to pursue alternative funding avenues in support of its strategic growth goals.

Further demonstrating our commitment to shareholder returns, the Burnham Holdings, Inc. Board of Directors, at its meeting on July 24, 2025, declared a quarterly common stock dividend of \$0.23 per share. This dividend is payable on September 25, 2025, to shareholders of record as of September 18, 2025.

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		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net sales	\$ 52,971	\$ 48,840	\$ 108,708	\$ 97,746
Cost of goods sold	41,519	38,541	83,622	75,102
Gross profit	11,452	10,299	25,086	22,644
Selling, general and administrative expenses	10,755	9,090	20,908	17,688
Impairment loss	3,137	-	3,137	-
Operating (loss) income	(2,440)	1,209	1,041	4,956
Other (expense) / income:				
Non-service related pension credit	50	113	100	250
Interest and investment gain	498	379	492	489
Interest expense	(105)	(533)	(344)	(829)
Other income (expense)	443	(41)	248	(90)
(Loss) income from continuing operations before income tax	(1,997)	1,168	1,289	4,866
Income tax (benefit) expense	(459)	268	295	1,119
(Loss) income from continuing operations	(1,538)	900	994	3,747
Income (loss) from discontinued operations, net of tax	227	(59)	1,066	85
Gain on sale of discontinued operations, net of tax	6,227	-	6,227	-
Income (loss) from discontinued operations, net of tax	6,454	(59)	7,293	85
Net income	<u>\$ 4,916</u>	<u>\$ 841</u>	<u>\$ 8,287</u>	<u>\$ 3,832</u>
Earnings per share (EPS):				
Basic				
(Loss) income from continuing operations	\$ (0.33)	\$ 0.19	\$ 0.21	\$ 0.81
Income (loss) from discontinued operations	1.38	(0.01)	1.56	0.01
Basic EPS	<u>\$ 1.05</u>	<u>\$ 0.18</u>	<u>\$ 1.77</u>	<u>\$ 0.82</u>
Diluted				
(Loss) income from continuing operations	\$ (0.33)	\$ 0.19	\$ 0.21	\$ 0.80
Income (loss) from discontinued operations	1.37	(0.01)	1.55	0.01
Diluted EPS	<u>\$ 1.04</u>	<u>\$ 0.18</u>	<u>\$ 1.76</u>	<u>\$ 0.81</u>
Cash dividends per share	\$ 0.23	\$ 0.23	\$ 0.46	\$ 0.46

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

	(Unaudited) June 29, 2025	December 31, 2024	(Unaudited) June 30, 2024
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 7,032	\$ 6,329	\$ 6,497
Trade accounts receivable, net	21,371	23,858	20,764
Inventories, net	54,126	46,962	60,777
Costs in Excess of Billings	202	141	1,227
Prepaid expenses and other current assets	3,210	4,394	5,120
Current assets of discontinued operations	-	12,747	14,119
Total Current Assets	<u>85,941</u>	<u>94,431</u>	<u>108,504</u>
Property, plant and equipment, net	69,049	65,972	65,122
Lease assets	5,851	6,005	3,980
Other long-term assets	20,455	22,261	17,396
Long-term assets of discontinued operations	-	5,667	5,901
Total Assets	<u>\$ 181,296</u>	<u>\$ 194,336</u>	<u>\$ 200,903</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current Liabilities			
Accounts payable & accrued expenses	\$ 31,761	\$ 32,264	\$ 29,106
Billings in excess of costs	803	1,698	659
Current liabilities of discontinued operations	-	3,245	2,160
Current portion of:			
Long-term liabilities	772	772	1,171
Lease liabilities	1,398	1,348	989
Long-term debt	184	184	184
Total Current Liabilities	<u>34,918</u>	<u>39,511</u>	<u>34,269</u>
Long-term debt	8,955	22,273	45,454
Lease liabilities	4,453	4,657	2,991
Other long-term liabilities	4,210	4,823	5,599
Deferred income taxes	9,668	9,352	8,506
Long-term liabilities of discontinued operations	-	441	668
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	9,685	10,799	10,525
Retained earnings	134,943	128,884	122,917
Accumulated other comprehensive loss	(21,237)	(20,820)	(24,442)
Treasury stock, at cost	(9,773)	(11,058)	(11,058)
Total Shareholders' Equity	<u>119,092</u>	<u>113,279</u>	<u>103,416</u>
Total Liabilities and Shareholders' Equity	<u>\$ 181,296</u>	<u>\$ 194,336</u>	<u>\$ 200,903</u>

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

	Six Months Ended	
	June 29, 2025	June 30, 2024
Cash flows from operating activities:		
Net income	\$ 8,287	\$ 3,832
Income from discontinued operations, net of tax	7,293	85
Income from continuing operations	\$ 994	\$ 3,747
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	2,472	2,462
Impairment loss	3,137	-
Deferred income taxes	28	12
Provision for long-term employee benefits	(156)	(250)
Share-based compensation expense	279	200
Other reserves and allowances	(1,445)	232
Changes in current assets and liabilities:		
Decrease in accounts receivable, net	2,460	6,231
Increase in inventories, net	(8,613)	(12,838)
Decrease (increase) in other current assets	1,006	(2,899)
Decrease in accounts payable and accrued expenses	(1,761)	(4,626)
Net cash used by operating activities of continuing operations	(1,599)	(7,729)
Net cash (used) provided by operating activities of discontinued operations	(9)	228
Net cash used by operating activities	(1,608)	(7,501)
Cash flows from investing activities:		
Capital expenditures	(5,729)	(7,567)
Proceeds from sale of discontinued operations	23,687	-
Other investing activities	-	(8)
Net cash provided (used) by investing activities of continuing operations	17,958	(7,575)
Net cash provided (used) by investing activities of discontinued operations	7	(229)
Net cash provided (used) by investing activities	17,965	(7,804)
Cash flows from financing activities:		
Net activity from revolving credit facility	(13,226)	18,314
Repayment of term loan	(92)	(92)
Proceeds from share-based compensation activity	-	-
Share-based compensation activity	(108)	(71)
Dividends paid	(2,228)	(2,206)
Net cash (used) provided by financing activities	(15,654)	15,945
Net increase in cash and cash equivalents	\$ 703	\$ 640
Cash and cash equivalents, beginning of period	\$ 6,329	\$ 5,857
Net increase in cash and cash equivalents	703	640
Cash and cash equivalents, end of period	\$ 7,032	\$ 6,497

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
Net income	-	-	-	-	841	-	-	841
Other comprehensive loss, net of tax	-	-	-	-	-	(27)	-	(27)
Cash dividends declared:								
Preferred stock - 6%	-	-	-	-	(9)	-	-	(9)
Common stock - (\$0.23 per share)	-	-	-	-	(1,132)	-	-	(1,132)
Share-based compensation:								
Expense recognition	-	-	-	100	-	-	-	100
Issuance of vested shares	-	-	-	(1,444)	-	-	1,373	(71)
Balance at June 30, 2024	\$ 530	\$ 3,633	\$ 1,311	\$ 10,525	\$ 122,917	\$ (24,442)	\$ (11,058)	\$ 103,416
	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
Net income	-	-	-	-	4,916	-	-	4,916
Other comprehensive loss, net of tax	-	-	-	-	-	(209)	-	(209)
Cash dividends declared:								
Preferred stock - 6%	-	-	-	-	(9)	-	-	(9)
Common stock - (\$0.22 per share)	-	-	-	-	(1,147)	-	-	(1,147)
Share-based compensation:								
Expense recognition	-	-	-	160	-	-	-	160
Issuance of vested shares	-	-	-	(1,393)	-	-	1,285	(108)
Balance at June 29, 2025	\$ 530	\$ 3,642	\$ 1,302	\$ 9,685	\$ 134,943	\$ (21,237)	\$ (9,773)	\$ 119,092

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

	Three Months Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net sales of continuing operations	\$ 52,971	\$ 48,840	\$ 108,708	\$ 97,746
Net sales of discontinued operations	2,420	6,551	11,518	13,648
Total net sales	\$ 55,391	\$ 55,391	\$ 120,226	\$ 111,394
Net income	\$ 4,916	\$ 841	\$ 8,287	\$ 3,832
Exclude:				
Income tax expense	1,469	250	2,474	1,144
Interest expense	105	533	344	829
Depreciation and amortization	1,433	1,339	2,826	2,709
EBITDA	\$ 7,923	\$ 2,963	\$ 13,931	\$ 8,514
EBITDA as a percent of net sales	14.3%	5.3%	11.6%	7.6%
EBITDA	\$ 7,923	\$ 2,963	\$ 13,931	\$ 8,514
Adjustments:				
Gain on sale of discontinued operation	(8,087)	-	(8,087)	-
Impairment loss	3,137	-	3,137	-
Adjusted EBITDA	\$ 2,973	\$ 2,963	\$ 8,981	\$ 8,514
Adjusted EBITDA as a percent of net sales	5.4%	5.3%	7.5%	7.6%
	Three Months Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net income	\$ 4,916	\$ 841	\$ 8,287	\$ 3,832
Adjustments, net of tax	(3,811)	-	(3,811)	-
Adjusted net income	\$ 1,105	\$ 841	\$ 4,476	\$ 3,832
Diluted weighted-average shares outstanding	4,720	4,714	4,705	4,701
Diluted earnings per share	\$ 1.04	\$ 0.18	\$ 1.76	\$ 0.81
Adjusted diluted earnings per share	\$ 0.23	\$ 0.18	\$ 0.95	\$ 0.81