

Burnham Holdings, Inc. Announces Third Quarter 2025 Financial Results

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

LANCASTER, Pa., (October 23, 2025) - Burnham Holdings, Inc. (OTC-Pink: BURCA) ("BHI", the "Company", "we" or "our") today reported its consolidated financial results for the third 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 third quarter of 2025 reached \$58.3 million, a 5.3% increase (\$2.9 million) compared to the third quarter of 2024. Year-to-date net sales climbed to \$167.0 million, up from \$153.2 million for the first nine months of 2024.
- **Solid Gross Profit Margins:** Gross profit margin increased to 19.6% in the third quarter of 2025 from 18.2% in the third quarter of 2024, reflecting continued operational efficiencies in the Commercial businesses. Year-to-date gross margin was 21.9%, up from 21.4% for the first nine months of 2024.
- **Strategic SG&A Investment:** Selling, general, and administrative expenses (SG&A) increased by 5.7% in the third quarter and 13.7% in the first nine months of 2025, aligning with planned initiative spending to support long-term growth.
- **Robust Earnings:** Net Income was \$1.6 million (\$0.35 per basic share and \$0.34 per diluted share), up from \$0.6 million (\$0.12 per basic and diluted share) in the third quarter of 2025. Year-to-date net income was \$9.9 million (\$2.12 per basic share and \$2.10 per diluted share), more than double from \$4.4 million (\$0.94 per basic share and \$0.93 per diluted share) for the first nine months of 2024.
- **Enhanced Profitability Metrics:** Adjusted EBITDA for the third quarter of 2025 was \$2.9 million (4.9% of net sales), an increase from \$2.7 million (4.2% of net sales) in third quarter of 2024. Adjusted EBITDA for first nine months of 2025 rose to \$11.9 million (6.6% of net sales) from \$11.3 million (6.4% of net sales) for the first nine months of 2024. 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 third quarter of 2025 improved to \$0.20, up from \$0.12 in 2024. Year-to-date adjusted diluted earnings per share were \$1.15, compared to \$0.93 for the first nine months of 2024.

On October 7, 2025, the Company announced that it purchased a group annuity contract and will transfer a portion of its pension payment obligations under the Retirement Plan for Employees of the Burnham Group (pension) to a third-party insurance company. Under the contract, the Company will transfer approximately \$90.0 million of its defined benefit pension obligations and related plan assets for approximately 1,000 retirees and beneficiaries to the insurance company. The contract was purchased using assets from the pension trust and no additional funding contribution was required as part of this transaction.

On January 1, 2026, the third-party insurer will begin paying and administering the retirement benefits of the retirees and beneficiaries included in this annuity transfer. This change will not affect the amount of individuals' monthly benefit payments. This decision does not impact current employees. Retirees and beneficiaries who are included in this annuity transfer will be notified in the coming weeks.

In connection with this transaction, the company expects to recognize an estimated non-cash pre-tax non-operating pension settlement charge of approximately \$20.8 million in the fourth quarter. The actual settlement charge will depend on finalization of actuarial assumptions, including discount rate, as well as the fair value of plan assets as of the measurement date. This charge represents an acceleration of deferred charges currently on the consolidated balance sheet in accumulated other comprehensive loss.

"We achieved solid net sales and profitability growth in the third quarter highlighted by the continued strong execution of our operating subsidiaries and broader unified strategy," stated Chris Drew, President and CEO of Burnham Holdings. "In addition to our positive results, we significantly de-risked our pension obligations that will

provide us with greater financial flexibility and support our future operations. With the promising early returns of our strategic portfolio adjustments combined with a more efficient operating structure, we believe we are well-positioned to drive long-term shareholder value.”

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 \$3.3 million during 2025, 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, \$0.4 million of accelerated depreciation and \$1.4 million of inventory reserves.

Subsidiary Litigation Update

On October 21, 2025, the New York Court of Appeals denied Burnham LLC’s, a wholly owned subsidiary of BHI, petition for leave to appeal the verdict that was entered against the company in *Maffei v. A.O. Smith Water Prods. Co.* (In re N.Y.C. Asbestos Litigation) matter. The gross verdict (without regard to setoff or apportionment reductions) equated to \$31.5 million of compensatory damages and \$6.5 million of punitive damages. Prior to this appeal, Burnham LLC filed an appeal to the Appellate Division, First Judicial Department who affirmed the trial’s verdict. Because Burnham believes its arguments on appeal are meritorious, Burnham plans to investigate all further appeal options including the possibility of filing an emergency petition for certiorari to the United States Supreme Court. Although the verdict was rendered at trial, Burnham LLC had a reasonable belief that there was a high probability of post-verdict relief on the damages in the appeals process based on advice of third-party experts and their analysis of prior case law. The compensatory portion of damages are insured by applicable policies, and Burnham LLC will be vigorously pursuing coverage from its applicable insurance policies to pay for cost of the awarded punitive damages. In the event the coverage is unavailable or denied, Burnham LLC will be required to pay only the punitive damages directly. As previously disclosed, in the normal course of business, certain subsidiaries of BHI have been named, and may in the future be named, as defendants in various legal actions, including claims for damages alleging exposure to asbestos from products of the company’s subsidiaries or their predecessors.

About Burnham Holdings, Inc.: BHI is the parent company of multiple subsidiaries that are leading domestic manufacturers of boilers for residential applications. Additionally, through its various subsidiaries it serves the commercial / industrial boiler markets with a variety of boiler products, rental trailers and boiler room services. 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		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net sales	\$ 58,327	\$ 55,411	\$ 167,035	\$ 153,157
Cost of goods sold	46,901	45,350	130,523	120,452
Gross profit	11,426	10,061	36,512	32,705
Selling, general and administrative expenses	10,472	9,911	31,380	27,599
Impairment loss	181	-	3,318	-
Operating income	773	150	1,814	5,106
Other (expense) / income:				
Non-service related pension credit	50	124	150	374
Interest and investment gain	372	423	864	912
Interest expense	(121)	(697)	(465)	(1,526)
Other income (expense)	301	(150)	549	(240)
Income from continuing operations before income tax	1,074	-	2,363	4,866
Income tax expense	247	-	542	1,119
Income from continuing operations	827	-	1,821	3,747
Income from discontinued operations, net of tax	-	552	1,066	637
Gain on sale of discontinued operations, net of tax	801	-	7,028	-
Income from discontinued operations, net of tax	801	552	8,094	637
Net income	<u>\$ 1,628</u>	<u>\$ 552</u>	<u>\$ 9,915</u>	<u>\$ 4,384</u>
Earnings per share (EPS):				
Basic				
Income from continuing operations	\$ 0.18	\$ -	\$ 0.39	\$ 0.80
Income from discontinued operations	0.17	0.12	1.73	0.14
Basic EPS	<u>\$ 0.35</u>	<u>\$ 0.12</u>	<u>\$ 2.12</u>	<u>\$ 0.94</u>
Diluted				
Income from continuing operations	\$ 0.17	\$ -	\$ 0.38	\$ 0.79
Income from discontinued operations	0.17	0.12	1.72	0.14
Diluted EPS	<u>\$ 0.34</u>	<u>\$ 0.12</u>	<u>\$ 2.10</u>	<u>\$ 0.93</u>
Cash dividends per share	\$ 0.23	\$ 0.23	\$ 0.69	\$ 0.69

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

	(Unaudited) September 28, 2025	December 31, 2024	(Unaudited) September 29, 2024
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 7,154	\$ 6,329	\$ 6,256
Trade accounts receivable, net	22,839	23,858	25,570
Inventories, net	54,768	46,962	60,082
Costs in excess of billings	563	141	1,425
Prepaid expenses and other current assets	3,539	4,394	3,012
Current assets of discontinued operations	-	12,747	14,129
Total Current Assets	<u>88,863</u>	<u>94,431</u>	<u>110,474</u>
Property, plant and equipment, net	70,183	65,972	65,614
Lease assets	5,559	6,005	6,410
Other long-term assets	20,497	22,261	17,097
Long-term assets of discontinued operations	-	5,667	5,921
Total Assets	<u>\$ 185,102</u>	<u>\$ 194,336</u>	<u>\$ 205,516</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current Liabilities			
Accounts payable & accrued expenses	\$ 29,631	\$ 32,264	\$ 27,845
Billings in excess of costs	602	1,698	3,497
Current liabilities of discontinued operations	-	3,245	1,818
Current portion of:			
Long-term liabilities	72	772	71
Lease liabilities	1,426	1,348	1,175
Long-term debt	184	184	184
Total Current Liabilities	<u>31,915</u>	<u>39,511</u>	<u>34,590</u>
Long-term debt	14,540	22,273	48,390
Lease liabilities	4,133	4,657	5,235
Other long-term liabilities	5,051	4,823	5,847
Deferred income taxes	9,659	9,352	8,371
Long-term liabilities of discontinued operations	-	441	668
Shareholders' Equity			
Preferred Stock	530	530	530
Class A Common Stock	3,654	3,633	3,633
Class B Convertible Common Stock	1,293	1,311	1,311
Additional paid-in capital	9,929	10,799	10,625
Retained earnings	135,491	128,884	122,397
Accumulated other comprehensive loss	(21,320)	(20,820)	(25,023)
Treasury stock, at cost	(9,773)	(11,058)	(11,058)
Total Shareholders' Equity	<u>119,804</u>	<u>113,279</u>	<u>102,415</u>
Total Liabilities and Shareholders' Equity	<u>\$ 185,102</u>	<u>\$ 194,336</u>	<u>\$ 205,516</u>

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

	Nine Months Ended	
	September 28, 2025	September 29, 2024
Cash flows from operating activities:		
Net income	\$ 9,915	\$ 4,384
Income from discontinued operations, net of tax	8,094	637
Income from continuing operations	\$ 1,821	\$ 3,747
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	3,790	3,658
Investment impairment loss	3,318	-
Deferred income taxes	44	50
Provision for long-term employee benefits	(171)	(375)
Share-based compensation expense	474	300
Other reserves and allowances	(1,995)	(32)
Changes in current assets and liabilities:		
Decrease in accounts receivable, net	979	481
Increase in inventories, net	(9,255)	(10,767)
(Increase) decrease in other current assets	(172)	1,956
Decrease in accounts payable and accrued expenses	(2,217)	(7,042)
Net cash used by operating activities of continuing operations	(3,384)	(8,024)
Net cash (used) provided by operating activities of discontinued operations	(30)	251
Net cash used by operating activities	(3,414)	(7,773)
Cash flows from investing activities:		
Capital expenditures	(8,358)	(9,388)
Proceeds from sale of discontinued operations	23,687	-
Net cash provided (used) by investing activities of continuing operations	15,329	(9,388)
Net cash provided (used) by investing activities of discontinued operations	7	(250)
Net cash provided (used) by investing activities	15,336	(9,638)
Cash flows from financing activities:		
Net activity from revolving credit facility	(7,641)	21,251
Repayment of term loan	(92)	(92)
Share-based compensation activity	(56)	(71)
Dividends paid	(3,308)	(3,278)
Net cash (used) provided by financing activities	(11,097)	17,810
Net increase in cash and cash equivalents	\$ 825	\$ 399
Cash and cash equivalents, beginning of period	\$ 6,329	\$ 5,857
Net increase in cash and cash equivalents	825	399
Cash and cash equivalents, end of period	\$ 7,154	\$ 6,256

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
Net income	-	-	-	-	552	-	-	552
Other comprehensive loss, net of tax	-	-	-	-	-	(581)	-	(581)
Cash dividends declared:								
Common stock - (\$0.23 per share)	-	-	-	-	(1,072)	-	-	(1,072)
Share-based compensation: Expense recognition	-	-	-	100	-	-	-	100
Balance at September 29, 2024	\$ 530	\$ 3,633	\$ 1,311	\$ 10,625	\$ 122,397	\$ (25,023)	\$ (11,058)	\$ 102,415
	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
Net income	-	-	-	-	1,628	-	-	1,628
Other comprehensive loss, net of tax	-	-	-	-	-	(83)	-	(83)
Cash dividends declared:								
Common stock - (\$0.22 per share)	-	-	-	-	(1,080)	-	-	(1,080)
Share-based compensation: Expense recognition	-	-	-	195	-	-	-	195
Issuance of vested shares	-	3	-	49	-	-	-	52
Conversion of common stock	-	9	(9)	-	-	-	-	-
Balance at September 28, 2025	\$ 530	\$ 3,654	\$ 1,293	\$ 9,929	\$ 135,491	\$ (21,320)	\$ (9,773)	\$ 119,804

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

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net sales of continuing operations	\$ 58,327	\$ 55,411	\$ 167,035	\$ 153,157
Net sales of discontinued operations	-	9,278	11,518	22,926
Total net sales	\$ 58,327	\$ 64,689	\$ 178,553	\$ 176,083
Net income	\$ 1,628	\$ 552	\$ 9,915	\$ 4,384
Exclude:				
Income tax expense	486	165	2,959	1,309
Interest expense	121	697	465	1,526
Depreciation and amortization	1,499	1,322	4,325	4,031
EBITDA	\$ 3,734	\$ 2,736	\$ 17,664	\$ 11,250
EBITDA as a percent of net sales	6.4%	4.2%	9.9%	6.4%
EBITDA	\$ 3,734	\$ 2,736	\$ 17,664	\$ 11,250
Adjustments:				
Gain on sale of discontinued operation	(1,040)	-	(9,127)	-
Impairment loss	181	-	3,318	-
Adjusted EBITDA	\$ 2,875	\$ 2,736	\$ 11,855	\$ 11,250
Adjusted EBITDA as a percent of net sales	4.9%	4.2%	6.6%	6.4%
	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net income	\$ 1,628	\$ 552	\$ 9,915	\$ 4,384
Adjustments, net of tax	(661)	-	(4,473)	-
Adjusted net income	\$ 967	\$ 552	\$ 5,442	\$ 4,384
Diluted weighted-average shares outstanding	4,731	4,718	4,722	4,713
Diluted earnings per share	\$ 0.34	\$ 0.12	\$ 2.10	\$ 0.93
Adjusted diluted earnings per share	\$ 0.20	\$ 0.12	\$ 1.15	\$ 0.93