

## **FOR IMMEDIATE RELEASE**

### **Burnham Holdings, Inc. Announces Major Strategic Initiatives**

- Divests asbestos-related liabilities
- Restructures the firm and further streamlines continuing operations
- Strengthens financial position and further advances BHI's priorities of portfolio optimization and simplification

**LANCASTER, Pa., (DECEMBER 31, 2025)** -- Burnham Holdings, Inc. (BHI), parent company to leading manufacturers of boilers and related HVAC products and accessories, announced the continuation of its strategic initiatives intended to refocus its boiler business. As part of these initiatives, BHI has funded and divested a majority (substantial portion) of its subsidiaries' legacy asbestos liabilities by selling certain of its subsidiaries with legacy liabilities (Legacy Subs) to Burnham Industries, LLC (BI), an affiliate of FARA Burnham Holdings LLC (FARA). BI and FARA are not affiliated with BHI.

#### **Divestiture**

Under the terms of the agreement, the Legacy Subs will be capitalized with cash, real estate and certain insurance related to these legacy liabilities. BI will assume full responsibility for managing the Legacy Subs, which will continue to resolve their current and future asbestos-related claims. A portion of the proceeds from the divestiture of the operating assets of Thermo Products and Norwood Manufacturing was used to fund the transaction in order to neutralize the impact of this transaction on existing credit capacity.

This transaction allows BHI to address these legacy asbestos liabilities by transferring the Legacy Subs to BI with adequate resources to manage the legacy liabilities. The sale will significantly reduce operating and financial risks and aligns with BHI's goals to simplify its corporate structure and redeploy capital toward core growth opportunities. Existing employees, customers and vendors of BHI and its subsidiaries operations will experience no change in their ongoing business relationships.

#### **Commitment to Long Term Growth Objectives**

This divestiture aligns with BHI's commitment to meeting the ever-evolving needs of and opportunities for growth in our key boiler markets. The previously announced strategic changes such as the winddown of Crown Boiler Company operations in Philadelphia, PA, the divestiture of the Thermo Products LLC and Norwood Manufacturing Inc. operations in North Carolina, the opening of the Condensing Center of Excellence in

Lancaster, PA, and the annuitization of roughly \$90M in pension obligations exemplify this commitment. BHI will continue to concentrate on its boiler subsidiaries, leveraging their strong management teams to drive synergies, improve efficiencies, and support continued growth

### **Impact**

*“This transaction marks a meaningful milestone in our strategy to simplify Burnham Holdings and strengthen our financial foundation,”* said Chris Drew, President and CEO of Burnham Holdings Inc. *“By completing this transaction, we’re sharpening our focus on our core businesses and positioning the company to deliver sustainable, long-term growth. We appreciate the collaboration with FARA and BI in bringing this transaction to a successful close.”*

BHI will have no further financial exposure to the legacy liabilities subject to this transaction, which will be fully managed and administered by BI. As a result of the transaction, the Company estimates it will incur a pre-tax loss of approximately \$24.0 million during the fourth quarter of 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](http://www.burnhamholdings.com).

### **About FARA Burnham Holdings, LLC and Burnham Industries, LLC**

FARA is an entity specializing in real estate and the management of asbestos and other legacy liabilities and related corporate assets. BI is an affiliate of FARA, a leader in solutions for companies holding contingent and legacy liabilities. For more information, please visit [www.fararecovery.com](http://www.fararecovery.com).

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