

Burnham Holdings, Inc. Announces Fourth Quarter 2025 Financial Results

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

LANCASTER, Pa., (February 19, 2026) - Burnham Holdings, Inc. (OTC-Pink: BURCA) (“BHI”, the “Company”, “we” or “our”) today reported its consolidated financial results for the fourth quarter of 2025, demonstrating continued growth driven by record high net sales and strategic portfolio adjustments aimed at strengthening its core boiler business. The financial statement presentation has been adjusted to reflect the previously announced divestiture of its subsidiaries Thermo Products, LLC (TP) and Norwood Manufacturing, Inc. (NMI) as discontinued operations.

- **Record-Setting Sales:** Net sales for the fourth quarter of 2025 reached \$91.1 million, up 13.8% (\$11.0 million) from the same period in 2024. Full-year net sales climbed to \$258.1 million, compared with \$233.2 million in 2024, marking a record high for the third consecutive year.
- **Solid Gross Profit Margins:** Gross profit margin increased to 25.0% in the fourth quarter of 2025 from 24.2% in the fourth quarter of 2024, reflecting continued operational efficiencies in the Commercial businesses. Year-to-date gross margin for 2025 was 23.0%, up from 22.3% for 2024.
- **Strategic SG&A Investment:** Adjusted selling, general, and administrative expenses (SG&A) as a percentage of net sales were 13.6% in the fourth quarter and 17.0% for the full year 2025. The year-over-year improvement reflects increased leverage on our fixed cost base.
- **Net Income:** As a result of the Company’s strategic divestiture of substantially all its legacy asbestos liabilities, net income for the fourth quarter of 2025 was a loss of \$31.3 million, or \$6.68 per basic and diluted share, compared with net income of \$4.5 million (\$1.62 per basic share and \$1.61 per diluted share) in the fourth quarter of 2024. For the full year 2025, net income was a loss of \$29.4 million (\$4.59 per basic and diluted share), compared with \$8.3 million (\$2.57 per basic share and \$2.55 per diluted share) for 2024. These results reflect the strategic investments made to unify operations and position the company for long-term growth.
- **Enhanced Profitability Metrics:** Adjusted EBITDA for the fourth quarter of 2025 was \$12.0 million (13.2% of net sales), an increase from \$7.9 million (9.9% of net sales) in the fourth quarter of 2024. Adjusted EBITDA for the full year 2025 rose to \$21.9 million (8.5% of net sales) from \$18.0 million (7.7% of net sales) for the full year 2024. These adjusted figures exclude the gain from the sale of TP and NMI, litigation settlement reserves, the loss on the divestiture of legacy liabilities, and impairment losses from the previously announced wind down of production activities at Crown Boiler.
- **Increased Shareholder Value:** Adjusted diluted earnings per share for the fourth quarter of 2025 improved to \$1.62, up from \$0.96 in 2024. The full year 2025 adjusted diluted earnings per share were \$2.55, compared to \$1.76 for the full year 2024. The 2025 adjusted diluted earnings per share of \$2.55 is a new all-time high.

On December 31, 2025, the Company announced the divestiture of 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 unaffiliated, independent third party. Under the terms of the agreement, the Legacy Subs were capitalized with cash, real estate and certain insurance related to these legacy liabilities. BI assumed 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 TP and NMI was used to fund the transaction in order to neutralize the impact of this transaction on existing credit capacity. In connection with this transaction, the Company recognized a loss on the divestiture of \$23.5 million, including \$1.4 million of transaction expenses.

On October 7, 2025, the Company announced that it purchased a group annuity contract and subsequently transferred 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 transferred \$90.4 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. As a result of this transaction, the company recognized a \$23.0 million non-cash pre-tax non-operating pension settlement charge. This charge

represents an acceleration of deferred charges previously on the consolidated balance sheet in accumulated other comprehensive loss.

“We closed the year with record net sales and made important investments to unify our operating subsidiaries under a stronger, more focused strategy, positioning us for greater efficiency and long-term growth,” said Chris Drew, President and CEO of Burnham Holdings. “While these efforts impacted near-term profitability, they are strengthening our foundation. As we continue to de-risk in multiple areas and improve our operating structure, we are increasing financial flexibility and building on our momentum to deliver sustainable, long-term value for shareholders.”

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 \$3.9 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, \$0.5 million of accelerated depreciation and \$0.8 million of inventory reserves. Additionally, as a result of the Company’s strategic review of operations, the Company identified \$1.1 million of inventory related to product lines and components that the Company would no longer produce. The Company recognized an impairment charge of \$1.1 million related to this inventory.

Subsidiary Litigation Update

As previously disclosed, on October 21, 2025, the New York Court of Appeals denied Burnham LLC’s, at that time 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. 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 is insured by applicable policies. On November 6, 2025, the insurer paid the full amount of the award, including punitive damages totaling \$7.9 million after accounting for pre- and post-judgment interest. Although Burnham LLC continues to vigorously pursue coverage from its applicable insurance policies to pay for cost of the awarded punitive damages, including through litigation in the Eastern District of Pennsylvania, the Company has set a reserve of \$5.0 million for its indemnification exposure in the event the insurers are unwilling to negotiate a settlement in good faith. 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.

At its meeting on February 19, 2026, Burnham Holdings, Inc.’s Board of Directors declared a quarterly common stock dividend of \$0.23 per share payable March 26, 2026, with a record date of March 19, 2026.

Burnham Holdings, Inc.’s Annual Meeting will be held virtually via a secure website meeting platform on Monday, April 27, 2026, 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 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		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Net sales	\$ 91,072	\$ 80,054	\$ 258,107	\$ 233,211
Cost of goods sold	68,270	60,712	198,793	181,164
Gross profit	22,802	19,342	59,314	52,047
Selling, general and administrative expenses	17,375	12,664	48,755	40,263
Loss on divestiture of legacy liabilities and certain assets	23,470	-	23,470	-
Impairment loss	603	-	3,921	-
Operating (loss) income	(18,646)	6,678	(16,832)	11,784
Other (expense) / income:				
Non-service related pension (expense) credit	(130)	(5)	20	369
Pension settlement	(22,998)	-	(22,998)	-
Gain on derivative mark to market	737	-	737	-
Interest and investment gain (loss)	146	(20)	1,010	892
Interest expense	(173)	(543)	(638)	(2,069)
Other (expense) income	(22,418)	(568)	(21,869)	(808)
(Loss) income from continuing operations before income tax	(41,064)	6,110	(38,701)	10,976
Income tax (benefit) expense	(9,813)	1,569	(9,271)	2,688
(Loss) income from continuing operations	(31,251)	4,541	(29,430)	8,288
(Loss) Income from discontinued operations, net of tax	(28)	3,027	1,038	3,664
(Loss) gain on sale of discontinued operations, net of tax	(91)	-	6,937	-
(Loss) income from discontinued operations, net of tax	(119)	3,027	7,975	3,664
Net (loss) income	<u>\$ (31,370)</u>	<u>\$ 7,568</u>	<u>\$ (21,455)</u>	<u>\$ 11,952</u>
(Loss) earnings per share:				
Basic				
(Loss) income from continuing operations	\$ (6.66)	\$ 0.97	\$ (6.29)	\$ 1.78
(Loss) income from discontinued operations	(0.02)	0.65	1.70	0.79
Basic (loss) earnings per share	<u>\$ (6.68)</u>	<u>\$ 1.62</u>	<u>\$ (4.59)</u>	<u>\$ 2.57</u>
Diluted				
(Loss) income from continuing operations	\$ (6.66)	\$ 0.96	\$ (6.29)	\$ 1.76
(Loss) income from discontinued operations	(0.02)	0.65	1.70	0.79
Diluted (loss) earnings per share	<u>\$ (6.68)</u>	<u>\$ 1.61</u>	<u>\$ (4.59)</u>	<u>\$ 2.55</u>
Cash dividends per share	\$ 0.23	\$ 0.23	\$ 0.92	\$ 0.92

Burnham Holdings, Inc.
Consolidated Balance Sheets
December 31, 2025 and 2024
(In thousands)
(Unaudited)

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 7,657	\$ 6,329
Trade accounts receivable, net	29,065	23,858
Inventories, net	37,442	46,962
Costs in excess of billings	507	141
Prepaid expenses and other current assets	6,556	4,394
Current assets of discontinued operations	-	12,747
Total Current Assets	<u>81,227</u>	<u>94,431</u>
Property, plant and equipment, net	69,306	65,972
Lease assets	6,014	6,005
Other long-term assets	18,772	22,261
Long-term assets of discontinued operations	-	5,667
Total Assets	<u>\$ 175,319</u>	<u>\$ 194,336</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current Liabilities		
Accounts payable & accrued expenses	\$ 41,243	\$ 32,264
Billings in excess of costs	261	1,698
Current liabilities of discontinued operations	-	3,245
Current portion of:		
Long-term liabilities	87	772
Lease liabilities	1,571	1,348
Long-term debt	184	184
Total Current Liabilities	<u>43,346</u>	<u>39,511</u>
Long-term debt	11,373	22,273
Lease liabilities	4,443	4,657
Other long-term liabilities	4,860	4,823
Deferred income taxes	7,710	9,352
Long-term liabilities of discontinued operations	-	441
Shareholders' Equity		
Preferred Stock	530	530
Class A Common Stock	3,654	3,633
Class B Convertible Common Stock	1,293	1,311
Additional paid-in capital	10,055	10,799
Retained earnings	103,031	128,884
Accumulated other comprehensive loss	(5,280)	(20,820)
Treasury stock, at cost	(9,696)	(11,058)
Total Shareholders' Equity	<u>103,587</u>	<u>113,279</u>
Total Liabilities and Shareholders' Equity	<u>\$ 175,319</u>	<u>\$ 194,336</u>

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

	Year Ended	
	December 31, 2025	December 31, 2024
Cash flows from operating activities:		
Net (loss) income	\$ (21,455)	\$ 11,952
Income from discontinued operations, net of tax	7,975	3,664
(Loss) income from continuing operations	\$ (29,430)	\$ 8,288
Adjustments to reconcile (loss) income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	5,324	4,946
Impairment loss	3,921	-
Pension settlement, net of tax	17,708	-
Deferred income taxes	(3,825)	(224)
Provision for long-term employee benefits	(57)	(434)
Share-based compensation expense	1,189	474
Other reserves and allowances	1,703	1,739
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable, net	(5,208)	3,163
Decrease in inventories, net	7,649	979
Increase in other current assets	(1,705)	(1,987)
Increase in accounts payable and accrued expenses	4,098	4,918
Net cash provided by operating activities of continuing operations	1,367	21,862
Net cash (used) provided by operating activities of discontinued operations	(30)	248
Net cash provided by operating activities	1,337	22,110
Cash flows from investing activities:		
Capital expenditures	(9,200)	(10,902)
Business acquisitions	(447)	(1,100)
Net cash provided (used) by investing activities of continuing operations	(9,647)	(12,002)
Net cash provided (used) by investing activities of discontinued operations	7	(250)
Proceeds from sale of discontinued operations	24,980	-
Net cash provided (used) by investing activities	15,340	(12,252)
Cash flows from financing activities:		
Net activity from revolving credit facility	(10,716)	(4,774)
Repayment of term loan	(184)	(184)
Share-based compensation activity	(51)	(71)
Dividends paid	(4,398)	(4,359)
Net cash used by financing activities	(15,349)	(9,388)
Net increase in cash and cash equivalents	\$ 1,328	\$ 472
Cash and cash equivalents, beginning of period	\$ 6,329	\$ 5,857
Net increase in cash and cash equivalents	1,328	472
Cash and cash equivalents, end of period	\$ 7,657	\$ 6,329

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, 2022	\$ 530	\$ 3,626	\$ 1,318	\$ 11,928	\$ 115,999	\$ (27,549)	\$ (13,292)	\$ 92,560
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 - (\$0.23 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	\$ 530	\$ 3,633	\$ 1,311	\$ 11,769	\$ 121,291	\$ (24,668)	\$ (12,431)	\$ 101,435
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 - (\$0.23 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	\$ 530	\$ 3,633	\$ 1,311	\$ 10,799	\$ 128,884	\$ (20,820)	\$ (11,058)	\$ 113,279
Net loss	-	-	-	-	(21,455)	-	-	(21,455)
Other comprehensive income, net of tax	-	-	-	-	-	15,540	-	15,540
Cash dividends declared:								
Preferred stock - 6%	-	-	-	-	(18)	-	-	(18)
Common stock - (\$0.23 per share)	-	-	-	-	(4,380)	-	-	(4,380)
Share-based compensation:								
Expense recognition	-	-	-	672	-	-	-	672
Issuance of vested shares	-	3	-	(1,416)	-	-	1,362	(51)
Conversion of common stock	-	18	(18)	-	-	-	-	-
Balance at December 31, 2025	\$ 530	\$ 3,654	\$ 1,293	\$ 10,055	\$ 103,031	\$ (5,280)	\$ (9,696)	\$ 103,587

