

FOR IMMEDIATE RELEASE

Burnham Holdings, Inc. Reports Third Quarter 2026 Financial Results

Higher sales and improved margins strengthen third quarter results

LANCASTER, Pa., (October 22, 2026) – Burnham Holdings, Inc. (OTC-Pink: BURCA) (“BHI”, the “Company”, “we” or “our”) today reported strong financial results for the third quarter of 2026, reflecting higher sales, improved margins and significantly stronger profitability as the Company continues to benefit from its strategic focus on its core boiler business.

As with previous 2026 filings, the financial statement presentation has been adjusted to reflect the previously completed divestiture of its subsidiaries Thermo Products, LLC (TP) and Norwood Manufacturing, Inc. (NMI) as discontinued operations.

Key Financial Highlights:

- **Strong Top-Line Revenue Growth:** Net sales for the third quarter of 2026 reached \$74.6 million, up 27.9% (\$16.3 million) compared to net sales of \$58.3 million in the third quarter of 2025. Year-to-date net sales for the first nine months of 2026 climbed to \$197.4 million, compared to \$167.0 million for the first nine months of 2025.
- **Improved Gross Profit Margins:** Gross profit margin for the third quarter of 2026 was 21.5%, compared to 19.6% in the third quarter of 2025. For the first nine months of 2026, year-to-date gross profit margin reached 23.7%, compared to 21.9% in the prior-year period.
- **Adjusted Net Income from Continuing Operations:** Adjusted net income from continuing operations for the third quarter of 2026 was \$2.1 million, or \$0.44 per diluted share, compared with adjusted net income from continuing operations of \$1.0 million, or \$0.21 per diluted share, in the third quarter of 2025. For the first nine months of 2026, adjusted net income from continuing operations was \$7.8 million (\$1.62 per diluted share), compared with \$4.4 million (\$0.92 per diluted share) for the first nine months of 2025.
- **Enhanced Profitability Metrics:** Adjusted EBITDA from continuing operations for the third quarter of 2026 was \$6.8 million (9.2% of net sales), compared to \$5.2 million (8.9% of net sales) in the third quarter of 2025. For the first nine months, year-to-date adjusted EBITDA from continuing operations reached \$16.6 million (8.4% of net sales), compared to \$9.9 million (5.9% of net sales) for the first nine months of 2025.
- **Balance Sheet and Revolving Credit Facility:** Total outstanding debt was \$21.5 million as of September 27, 2026, compared to \$14.7 million as of September 28, 2025. Prior year debt levels were impacted by the sale of TP and NMI as cash received was applied to outstanding debt; adjusted debt at September 28, 2025, would have been \$38.4 million. Total borrowing remains in line with typical seasonal working capital needs and planned inventory investments to support upcoming peak heating season demand. The Company previously announced a new \$130.0 million revolving credit facility on August 6, 2026. In conjunction with the new facility, the Company capitalized approximately \$1.0 million of costs incurred with the new facility and will amortize them

over the life of the five-year facility. U.S. Boiler Company, LLC and Thermal Solutions Products, LLC, wholly owned subsidiaries, completed approximately \$2.7 million of below-market financing through the Pennsylvania Industrial Development Authority (PIDA) to support investments in real estate improvements and machinery and equipment associated with the Condensing Center of Excellence in Lancaster County, Pennsylvania as further detailed in the Company's October 22, 2025 press release.

During the third quarter of 2026, BHI expanded its product offerings to include chilled water buffer tanks for data center cooling systems, applying its manufacturing expertise to a new application within the broader thermal solutions market.

"Our third-quarter sales growth, margin improvement and strong profitability demonstrate the strength of our go to market strategy," said Chris Drew, President and CEO of Burnham Holdings. "Looking ahead, our product development investments are focused on expanding our core portfolio, with a focus on developing new high efficiency and condensing products for residential and commercial customers that we plan to launch in 2027. In addition, at the request of our current customer base, we are adding chilled water buffer tanks for data center cooling systems to our offerings. Together, these initiatives build on our boiler and thermal solutions expertise and create additional opportunities for growth."

Crown Boiler: As previously disclosed, Burnham Holdings continues to monitor Crown Boiler Company's voluntary Chapter 11 proceedings. While there have been no material developments in terms of a confirmed bankruptcy plan, the Company incurred approximately \$1.5 million in related expenses during the quarter. The Company will provide updates as appropriate.

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. 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. The Company continues to proactively engage in good faith negotiations with the insurers, and the parties will participate in a settlement conference with a United States Magistrate Judge on November 24, 2026 (*Utica Mutual Insurance Company v. Burnham, LLC*, Civil Action No. 2:25-cv-06301-PD). During the third quarter of 2026, the reserve for this matter remained at \$5.8 million. 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 (former and current) or their predecessors.

Dividend: At its meeting on October 22, 2026, the Board of Directors declared a quarterly dividend of \$0.23 per share on Class A and Class B Common Stock, and a semi-annual

preferred stock dividend of \$1.50 per share, payable on December 10, 2026, to shareholders of record on December 3, 2026.

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 Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net sales	\$ 74,583	\$ 58,327	\$ 197,361	\$ 167,035
Cost of goods sold	58,571	46,901	150,622	130,523
Gross profit	16,012	11,426	46,739	36,512
Selling, general and administrative expenses	12,771	10,472	36,242	31,380
Impairment loss	-	181	-	3,318
Operating income	3,241	773	10,497	1,814
Other (expense) / income:				
Non-service related pension credit	12	50	37	150
Gain on derivative mark to market	25	-	-	-
Interest and investment (loss) gain	(358)	372	520	864
Interest expense	(179)	(121)	(843)	(465)
Other (expense) / income	(500)	301	(286)	549
Income from continuing operations before income tax	2,741	1,074	10,211	2,363
Income tax expense	657	247	2,450	542
Income from continuing operations	2,084	827	7,761	1,821
Income from discontinued operations, net of tax	-	-	-	1,066
Gain (loss) on sale of discontinued operations, net of tax	-	801	(307)	7,028
Income (loss) from discontinued operations, net of tax	-	801	(307)	8,094
Net income	<u>\$ 2,084</u>	<u>\$ 1,628</u>	<u>\$ 7,454</u>	<u>\$ 9,915</u>
Earnings per share:				
Basic				
Income from continuing operations	\$ 0.44	\$ 0.18	\$ 1.64	\$ 0.39
Income (loss) from discontinued operations	-	0.17	(0.06)	1.73
Basic earnings per share	<u>\$ 0.44</u>	<u>\$ 0.35</u>	<u>\$ 1.58</u>	<u>\$ 2.12</u>
Diluted				
Income from continuing operations	\$ 0.44	\$ 0.17	\$ 1.62	\$ 0.38
Income (loss) from discontinued operations	-	0.17	(0.06)	1.72
Diluted earnings per share	<u>\$ 0.44</u>	<u>\$ 0.34</u>	<u>\$ 1.56</u>	<u>\$ 2.10</u>
Cash dividends per share	\$ 0.23	\$ 0.23	\$ 0.69	\$ 0.69

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

	(Unaudited) September 27, 2026	December 31, 2025	(Unaudited) September 28, 2025
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 9,118	\$ 7,657	\$ 7,154
Trade accounts receivable, net	28,223	29,065	22,839
Inventories, net	46,035	37,442	54,768
Costs in excess of billings	69	507	563
Prepaid expenses and other current assets	2,254	6,556	3,539
Total Current Assets	<u>85,699</u>	<u>81,227</u>	<u>88,863</u>
Property, plant and equipment, net	69,007	69,306	70,183
Lease assets	5,729	6,014	5,559
Other long-term assets	18,931	18,772	20,497
Total Assets	<u><u>\$ 179,366</u></u>	<u><u>\$ 175,319</u></u>	<u><u>\$ 185,102</u></u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current Liabilities			
Accounts payable & accrued expenses	\$ 30,709	\$ 41,243	\$ 29,631
Billings in excess of costs	606	261	602
Current portion of:			
Long-term liabilities	87	87	72
Lease liabilities	1,743	1,571	1,426
Long-term debt	-	184	184
Total Current Liabilities	<u>33,145</u>	<u>43,346</u>	<u>31,915</u>
Long-term debt	21,509	11,373	14,540
Lease liabilities	3,986	4,443	4,133
Other long-term liabilities	4,744	4,860	5,051
Deferred income taxes	7,731	7,710	9,659
Shareholders' Equity			
Preferred Stock	530	530	530
Class A Common Stock	3,695	3,654	3,654
Class B Convertible Common Stock	1,254	1,293	1,293
Additional paid-in capital	9,238	10,055	9,929
Retained earnings	107,147	103,031	135,491
Accumulated other comprehensive loss	(5,229)	(5,280)	(21,320)
Treasury stock, at cost	(8,384)	(9,696)	(9,773)
Total Shareholders' Equity	<u>108,251</u>	<u>103,587</u>	<u>119,804</u>
Total Liabilities and Shareholders' Equity	<u><u>\$ 179,366</u></u>	<u><u>\$ 175,319</u></u>	<u><u>\$ 185,102</u></u>

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

	Nine Months Ended	
	September 27, 2026	September 28, 2025
Cash flows from operating activities:		
Net income	\$ 7,454	\$ 9,915
(Loss) income from discontinued operations, net of tax	(307)	8,094
Income from continuing operations	\$ 7,761	\$ 1,821
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation	5,587	3,790
Amortization of debt issuance costs	104	-
Impairment loss	-	3,318
Deferred income taxes	8	44
Provision for long-term employee benefits	(323)	(171)
Share-based compensation expense	593	474
Other reserves and allowances	366	(1,995)
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable, net	(507)	979
Increase in inventories, net	(8,593)	(9,255)
Decrease (increase) in other current assets	2,379	(172)
Decrease in accounts payable and accrued expenses	(7,248)	(2,217)
Net cash provided (used) by operating activities of continuing operations	127	(3,384)
Net cash used by operating activities of discontinued operations	-	(30)
Net cash provided (used) by operating activities	127	(3,414)
Cash flows from investing activities:		
Capital expenditures	(5,183)	(8,358)
Net cash used by investing activities of continuing operations	(5,183)	(8,358)
Net cash provided by investing activities of discontinued operations	-	7
Proceeds from sale of discontinued operations	-	23,687
Net cash (used) provided by investing activities	(5,183)	15,336
Cash flows from financing activities:		
Net activity from revolving credit facility	14,192	(7,641)
Cash paid for debt issuance costs	(968)	-
Repayment of term loan	(3,273)	(92)
Share-based compensation activity	(96)	(56)
Dividends paid	(3,338)	(3,308)
Net cash provided (used) by financing activities	6,517	(11,097)
Net increase in cash and cash equivalents	\$ 1,461	\$ 825
Cash and cash equivalents, beginning of period	\$ 7,657	\$ 6,329
Net increase in cash and cash equivalents	1,461	825
Cash and cash equivalents, end of period	\$ 9,118	\$ 7,154

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, 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 - (\$0.23 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 - (\$0.23 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 - (\$0.23 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
	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, 2025	\$ 530	\$ 3,654	\$ 1,293	\$ 10,055	\$ 103,031	\$ (5,280)	\$ (9,696)	\$ 103,587
Net income	-	-	-	-	3,438	-	-	3,438
Other comprehensive income, net of tax	-	-	-	-	-	72	-	72
Cash dividends declared:								
Common stock - (\$0.23 per share)	-	-	-	-	(1,080)	-	-	(1,080)
Share-based compensation:								
Expense recognition	-	-	-	195	-	-	-	195
Balance at March 29, 2026	\$ 530	\$ 3,654	\$ 1,293	\$ 10,250	\$ 105,389	\$ (5,208)	\$ (9,696)	\$ 106,212
Net income	-	-	-	-	1,932	-	-	1,932
Other comprehensive loss, net of tax	-	-	-	-	-	(29)	-	(29)
Cash dividends declared:								
Preferred stock - 6%	-	-	-	-	(9)	-	-	(9)
Common stock - (\$0.23 per share)	-	-	-	-	(1,160)	-	-	(1,160)
Share-based compensation:								
Expense recognition	-	-	-	200	-	-	-	200
Issuance of vested shares	-	2	-	(1,410)	-	-	1,312	(96)
Conversion of common stock	-	1	(1)	-	-	-	-	-
Balance at June 28, 2026	\$ 530	\$ 3,657	\$ 1,292	\$ 9,040	\$ 106,152	\$ (5,237)	\$ (8,384)	\$ 107,050
Net income	-	-	-	-	2,084	-	-	2,084
Other comprehensive income, net of tax	-	-	-	-	-	8	-	8
Cash dividends declared:								
Common stock - (\$0.23 per share)	-	-	-	-	(1,089)	-	-	(1,089)
Share-based compensation:								
Expense recognition	-	-	-	198	-	-	-	198
Conversion of common stock	-	38	(38)	-	-	-	-	-
Balance at September 27, 2026	\$ 530	\$ 3,695	\$ 1,254	\$ 9,238	\$ 107,147	\$ (5,229)	\$ (8,384)	\$ 108,251

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

	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net sales of continuing operations	\$ 74,583	\$ 58,327	\$ 197,361	\$ 167,035
Income from continuing operations, net of tax	\$ 2,084	\$ 827	\$ 7,761	\$ 1,821
Exclude:				
Income tax expense	657	247	2,450	542
Interest expense	179	121	843	465
Depreciation and amortization	3,945	3,790	5,587	3,790
EBITDA	\$ 6,865	\$ 4,985	\$ 16,641	\$ 6,618
EBITDA as a percent of net sales	9.2%	8.5%	8.4%	4.0%
EBITDA	\$ 6,865	\$ 4,985	\$ 16,641	\$ 6,618
Adjustments:				
Gain on derivative mark to market	(25)	-	-	-
Impairment loss	-	181	-	3,318
Adjusted EBITDA	\$ 6,840	\$ 5,166	\$ 16,641	\$ 9,936
Adjusted EBITDA as a percent of net sales	9.2%	8.9%	8.4%	5.9%
	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Income from continuing operations	\$ 2,084	\$ 827	\$ 7,761	\$ 1,821
Adjustments, net of tax	(19)	140	-	2,555
Adjusted income from continuing operations	\$ 2,065	\$ 967	\$ 7,761	\$ 4,376
Diluted weighted-average shares outstanding	4,781	4,731	4,777	4,722
Diluted earnings per share from continuing operations	\$ 0.44	\$ 0.17	\$ 1.62	\$ 0.38
Adjusted diluted earnings per share from continuing operations	\$ 0.44	\$ 0.21	\$ 1.62	\$ 0.92
	September 27, 2026	September 28, 2025		
Total debt	\$ 21,509	\$ 14,724		
Proceeds from sale of discontinued operations	-	23,687		
Adjusted total debt	\$ 21,509	\$ 38,411		