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For Immediate Release

## Paul Mueller Company Announces Its Second Quarter Earnings of 2017

Springfield, Missouri – July 28, 2017, Paul Mueller Company (OTC: MUEL) today announced earnings for the quarter ended June 30, 2017.

### PAUL MUELLER COMPANY SIX-MONTH REPORT

Unaudited

#### CONSOLIDATED STATEMENTS OF INCOME

(In thousands)	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	2017	2016	2017	2016	2017	2016
Net Sales	\$ 39,630	\$ 45,524	\$ 77,241	\$ 86,685	\$ 158,577	\$ 170,927
Cost of Sales	27,934	32,720	54,951	61,565	116,677	120,794
Gross Profit	\$ 11,696	\$ 12,804	\$ 22,290	\$ 25,120	\$ 41,900	\$ 50,133
Selling, General and Administrative Expense	10,532	11,856	21,015	22,721	46,182	41,728
Operating Income (Loss)	\$ 1,164	\$ 948	\$ 1,275	\$ 2,399	\$ (4,282)	\$ 8,405
Interest Expense	(61)	(63)	(111)	(99)	(306)	(240)
Other Income (Expense)	(117)	(63)	(207)	(111)	113	(8)
Income (Loss) before Provision (Benefit) for Income Taxes	\$ 986	\$ 822	\$ 957	\$ 2,189	\$ (4,475)	\$ 8,157
Provision (Benefit) for Income Taxes	333	60	447	516	(1,031)	2,513
Net Income (Loss)	\$ 653	\$ 762	\$ 510	\$ 1,673	\$ (3,444)	\$ 5,644
Earnings per Common Share — Basic	\$0.55	\$0.63	\$0.43	\$1.37	(\$2.87)	\$4.59
Diluted	\$0.55	\$0.63	\$0.43	\$1.37	(\$2.87)	\$4.59

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30	
	2017	2016
Net Income	\$ 510	\$ 1,673
Other Comprehensive Income, Net of Tax:		
Foreign Currency Translation Adjustment	2,477	554
Change in Pension Liability	-	1,000
Amortization of De-Designated Hedges	3	10
Comprehensive Income	\$ 2,990	\$ 3,237

#### CONSOLIDATED BALANCE SHEETS

	June 30 2017	December 31 2016
Accounts Receivable	\$ 22,449	\$ 18,083
Inventories	28,592	24,126
Other Current Assets	3,010	2,514
Current Assets	\$ 54,051	\$ 44,723
Net Property, Plant, and Equipment	40,202	33,545
Other Assets	29,502	26,397
Total Assets	\$ 123,755	\$ 104,665
Accounts Payable	\$ 11,607	\$ 8,165
Current Maturities and Short-Term debt	7,771	8,243
Other Current Liabilities	26,972	20,777
Current Liabilities	\$ 46,350	\$ 37,185
Long-Term Debt	10,619	4,558
Long-Term Pension Liabilities	30,660	31,628
Other Long-Term Liabilities	2,772	828
Total Liabilities	90,401	74,199
Shareholders' Investment	33,354	30,466
Total Liabilities and Shareholders' Investment	\$ 123,755	\$ 104,665

**SELECTED FINANCIAL DATA**

	June 30 2017	December 31 2016
Book Value per Common Share	\$27.88	\$25.39
Total Shares Outstanding	1,196,261	1,200,021
Backlog	\$ 79,509	\$ 44,241

**CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT**

	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance, December 31, 2016</b>	<u>\$ 1,508</u>	<u>\$ 9,708</u>	<u>\$ 61,582</u>	<u>\$ (6,227)</u>	<u>\$ (36,105)</u>	<u>\$ 30,466</u>
<b>Add (Deduct):</b>						
Net Income			510			510
Other Comprehensive Income, Net of Tax					2,480	2,480
Treasury Stock Acquisition				(102)		(102)
<b>Balance, June 30, 2017</b>	<u>\$ 1,508</u>	<u>\$ 9,708</u>	<u>\$ 62,092</u>	<u>\$ (6,329)</u>	<u>\$ (33,625)</u>	<u>\$ 33,354</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
<b>Operating Activities:</b>		
Net Income	\$ 510	\$ 1,673
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Pension Contributions (Greater) Less than Expense	(969)	(713)
Bad Debt Expense (Recovery)	73	12
Depreciation & Amortization	2,878	3,008
(Gain) Loss on Sales of Equipment	(59)	(12)
Other	(19)	(43)
Change in Assets and Liabilities		
(Inc) Dec in Accts and Notes Receivable	(3,491)	(1,861)
(Inc) Dec in Cost in Excess of Estimated Earnings and Billings	126	(38)
(Inc) Dec in Inventories	(3,261)	1,831
(Inc) Dec in Prepayments	(619)	811
(Inc) Dec Other Assets	(314)	-
Inc (Dec) in Accounts Payable	2,124	(339)
Inc (Dec) Other Accrued Expenses	2,368	(759)
Inc (Dec) Advanced Billings	3,545	(2,440)
Inc (Dec) in Billings in Excess of Costs and Estimated Earnings	(66)	(367)
Inc (Dec) In Other Long-Term Liabilities	19	(485)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 2,845</u>	<u>\$ 278</u>
<b>Investing Activities</b>		
Proceeds from Sales of Equipment	139	27
Additions to Property and Equipment	(7,168)	(2,708)
<b>Net Cash Required for Investing Activities</b>	<u>\$ (7,029)</u>	<u>\$ (2,681)</u>
<b>Financing Activities</b>		
(Repayment) Proceeds of Short-Term Borrowings, Net	(1,456)	3,182
Proceeds (Repayment) of Long-Term Debt	6,097	(208)
Treasury Stock Acquisitions	(102)	(867)
<b>Net Cash Provided for Financing Activities</b>	<u>\$ 4,539</u>	<u>\$ 2,107</u>
<b>Effect of Exchange Rate Changes</b>	<u>(137)</u>	<u>16</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ 218</u>	<u>\$ (280)</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>357</u>	<u>545</u>
<b>Cash and Cash Equivalents at End of Quarter</b>	<u>\$ 575</u>	<u>\$ 265</u>

PAUL MUELLER COMPANY  
SUMMARIZED NOTES TO THE FINANCIAL STATEMENTS

(1) Results of Operations (in thousands):

- A. The chart below depicts the net revenue on a consolidating basis for the three months ended June 30.

Three Months Ended June 30		
<i>Revenue</i>	2017	2016
Domestic	\$27,065	\$27,815
Mueller BV	\$12,761	\$18,021
Eliminations	(\$196)	(\$312)
Net Revenue	\$39,630	\$45,524

The chart below depicts the net revenue on a consolidating basis for the six months ended June 30.

Six Months Ended June 30		
<i>Revenue</i>	2017	2016
Domestic	\$54,484	\$54,672
Mueller BV	\$23,014	\$32,589
Eliminations	(\$257)	(\$576)
Net Revenue	\$77,241	\$86,685

The chart below depicts the net revenue on a consolidating basis for the twelve months ended June 30.

Twelve Months Ended June 30		
<i>Revenue</i>	2017	2016
Domestic	\$110,841	\$109,576
Mueller BV	\$48,526	\$62,771
Eliminations	(\$790)	(\$1,420)
Net Revenue	\$158,577	\$170,927

The chart below depicts the net income on a consolidating basis for the three months ended June 30.

Three Months Ended June 30		
<i>Net Income</i>	2017	2016
Domestic	\$325	(\$637)
Mueller BV	\$313	\$1,351
Eliminations	\$15	\$48
Net Income	\$653	\$762

The chart below depicts the net income on a consolidating basis for the six months ended June 30.

Six Months Ended June 30		
<i>Net Income</i>	2017	2016
Domestic	\$851	\$11
Mueller BV	(\$411)	\$1,580
Eliminations	\$70	\$82
Net Income	\$510	\$1,673

The chart below depicts the net income on a consolidating basis for the twelve months ended June 30.

Twelve Months Ended June 30		
<i>Net Income</i>	2017	2016
Domestic	(\$3,115)	\$2,829
Mueller BV	(\$436)	\$2,712
Eliminations	\$107	\$103
Net Income	(\$3,444)	\$5,644

- B.** The Company completed the lump sum pension payments to participants who elected to take the settlement. These payments, paid from the assets of the plans, were available for participants who were no longer employed by the company as of May 6, 2016, but who had not yet begun receiving their benefit. The eligible participants represented about a quarter of the obligations of the plans and just over 50% of those eligible elected the settlement. The payments, totaling \$13.8 million to 218 participants, were made on or about September 26, 2016. This settlement had a negative noncash effect on the pre-tax earnings of the Company of \$6.72 million caused by pension deficits, previously recorded in accumulated other comprehensive income, moving through net income.
- C.** The pre-tax results for the three and six months ended June 30, 2017, were unfavorably affected by a \$476,000 increase in the LIFO reserve. The pre-tax results for the twelve months ended June 30, 2017, were favorably affected by a \$24,000 decrease in the LIFO reserve. The pre-tax results for the three and six months ended June 30, 2016, were unfavorably affected by a \$1,000,000 increase in the LIFO reserve. The pre-tax results for the twelve months ended June 30, 2016, were favorably affected by a \$50,000 decrease in the LIFO reserve.
- D.** On March 17, 2017, the Company announced plans to build a new facility in Groenlo, a town in the east-central portion of The Netherlands. The new facility will be located 10

kilometers (approximately 6 miles) from one of Paul Mueller Company's current Dutch manufacturing facilities in Lichtenvoorde.

Groenlo was chosen because of its close proximity to the current Lichtenvoorde location, easing the transition for the majority of the production employees. Working together in one location, employees can better develop common goals and address customer needs.

The new facility will consolidate four locations the Company currently operates in The Netherlands, including the Lichtenvoorde location. The €20 million project is expected to have a positive return based on reducing the costs of operating four separate facilities, the rent paid on three of the facilities, and the sale of the primary manufacturing location in Lichtenvoorde. It will also combine the companies acquired in 2008 into one location, creating a stronger culture and improving collaboration and efficiencies.

Construction of the facility is underway and \$6,255,000 of the long-term debt at June 30, 2017, is for this construction.

- E. The consolidated financials are affected by the euro to dollar exchange rate when consolidating Mueller B.V., the Dutch subsidiary. The month-end euro to dollar exchange rate was 1.11 for June 2016; 1.05 for December 2016; 1.14 for June 2017, respectively.

This press release contains forward-looking statements that provide current expectations of future events based on certain assumptions. All statements regarding future performance growth, conditions, or developments are forward-looking statements. Actual future results may differ materially from those described in the forward-looking statements due to a variety of factors, including, but not limited to, the factors described on page 30 of the Company's 2016 Annual Report, which is available at [paulmueller.com](http://paulmueller.com). The Company expressly disclaims any obligation or undertaking to update these forward-looking statements to reflect any future events or circumstances.

**The accounting policies related to this report and additional management discussion and analysis are provided in the 2016 annual report, available at [www.paulmueller.com](http://www.paulmueller.com).**