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For Immediate Release

## Paul Mueller Company Announces Its Fourth Quarter Earnings of 2019

Springfield, Missouri – April 7, 2020, Paul Mueller Company (OTC: MUEL) today announced earnings for the quarter ended December 31, 2019.

### PAUL MUELLER COMPANY TWELVE-MONTH REPORT

(In thousands)

CONSOLIDATED STATEMENTS OF INCOME				
	Three Months Ended December 31		Twelve Months Ended December 31	
	2019	2018	2019	2018
Net Sales	\$ 55,266	\$ 45,618	\$ 197,177	\$ 201,210
Cost of Sales	38,552	33,942	142,435	150,260
Gross Profit	\$ 16,714	\$ 11,676	\$ 54,742	\$ 50,950
Selling, General and Administrative Expense	11,971	11,965	45,672	47,137
Operating Income (Loss)	\$ 4,743	\$ (289)	\$ 9,070	\$ 3,813
Interest Expense	(19)	(187)	(827)	(920)
Other Income (Expense)	(15)	(1)	351	218
Income (Loss) before Provision (Benefit) for Income Taxes	\$ 4,709	\$ (477)	\$ 8,594	\$ 3,111
Provision (Benefit) for Income Taxes	1,144	(337)	2,005	472
Net Income (Loss)	\$ 3,565	\$ (140)	\$ 6,589	\$ 2,639
Earnings (Loss) per Common Share — Basic	\$2.98	(\$0.12)	\$5.51	\$2.21
Diluted	\$2.98	(\$0.12)	\$5.51	\$2.21

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME			
	Twelve Months Ended December 31		
	2019	2018	
Net Income	\$ 6,589	\$ 2,639	
Other Comprehensive Income (Loss), Net of Tax:			
Foreign Currency Translation Adjustment	(589)	(1,659)	
Change in Pension Liability	(1,204)	(1,330)	
Comprehensive Income (Loss)	\$ 4,796	\$ (350)	

CONSOLIDATED BALANCE SHEETS			
	December 31		
	2019	2018	
Cash and Short-Term Investments	\$ 1,072	\$ 715	
Accounts Receivable	28,509	27,533	
Inventories	20,552	26,678	
Current Net investments in Sales-Type leases	47	-	
Other Current Assets	3,763	2,066	
Current Assets	\$ 53,943	\$ 56,992	
Net Property, Plant, and Equipment	47,406	50,699	
Right of Use Assets	1,421	-	
Other Assets	21,355	22,497	
Long-Term Net Investments in Sales-Type Leases	769	-	
Total Assets	\$ 124,894	\$ 130,188	
Accounts Payable	\$ 10,534	\$ 11,177	
Current Maturities and Short-Term debt	6,208	10,332	
Current Lease Liabilities	485	-	
Other Current Liabilities	27,021	26,131	
Current Liabilities	\$ 44,248	\$ 47,640	
Long-Term Debt	15,334	21,478	
Long-Term Pension Liabilities	30,395	32,081	
Other Long-Term Liabilities	1,566	1,361	
Lease Liabilities	936	-	
Total Liabilities	92,479	102,560	
Shareholders' Investment	32,415	27,628	
Total Liabilities and Shareholders' Investment	\$ 124,894	\$ 130,188	

**SELECTED FINANCIAL DATA**

	December 31 2019	December 31 2018
Book Value per Common Share	\$27.11	\$23.10
Total Shares Outstanding	1,195,866	1,196,187
Backlog	\$ 79,791	\$ 97,354

**CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT**

	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance, December 31, 2018</b>	\$ 1,508	\$ 9,708	\$ 61,895	\$ (6,332)	\$ (39,151)	\$ 27,628
<b>Add (Deduct):</b>						
Net Income			6,589			6,589
Other Comprehensive Income, Net of Tax					(1,793)	(1,793)
Treasury Stock Acquisition				(9)		(9)
<b>Balance, December 31, 2019</b>	\$ 1,508	\$ 9,708	\$ 68,484	\$ (6,341)	\$ (40,944)	\$ 32,415

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018
<b>Operating Activities:</b>		
Net Income	\$ 6,589	\$ 2,639
Adjustment to Reconcile Net Income to Net Cash Provided (Required) by Operating Activities:		
Pension Contributions (Greater) Less than Expense	(2,890)	(4,015)
Bad Debt Expense	398	161
Depreciation & Amortization	6,248	5,794
Deferred Tax Expense	979	1,182
(Gain) Loss on Sales of Equipment	(36)	(164)
Interest on Lease Liability for Financing	(17)	-
Change in Assets and Liabilities		
(Inc) Dec in Accts and Notes Receivable	(1,100)	(4,856)
(Inc) Dec in Cost in Excess of Estimated Earnings and Billings	(985)	(182)
Dec (Inc) in Inventories	6,126	4,402
(Inc) Dec in Prepayments	(644)	2,000
(Inc) Dec in Net Investment in Sales-type leases	(816)	-
Dec (Inc) in Other Assets	52	(57)
(Inc) Dec in Deferred Taxes	(382)	(422)
(Dec) Inc in Accounts Payable	(642)	(3,065)
(Dec) Inc in Other Accrued Expenses	(1,006)	(1,805)
(Dec) Inc in Advanced Billings	(6,327)	(2,500)
Inc (Dec) in Billings in Excess of Costs and Estimated Earnings	8,223	(1,529)
Inc (Dec) in Lease Liability for Operating	1,189	-
Inc (Dec) in Lease Liability for Financing	770	-
Inc (Dec) In Long Term Liabilities	206	(1,997)
<b>Net Cash Provided (Required) by Operating Activities</b>	\$ 15,935	\$ (4,414)
<b>Investing Activities</b>		
Intangibles	(118)	-
Proceeds from Sales of Equipment	49	173
Additions to Property, Plant, and Equipment	(4,340)	(4,838)
<b>Net Cash (Required) for Investing Activities</b>	\$ (4,409)	\$ (4,665)
<b>Financing Activities</b>		
(Repayment) of principal portion of lease liability for operating	(374)	-
(Repayment) of principal portion of lease liability for financing	(147)	-
(Repayment) Proceeds of Short-Term Borrowings, Net	(4,088)	6,313
(Repayment) Proceeds of Long-Term Debt	(5,893)	(922)
Treasury Stock Acquisitions	(9)	(3)
<b>Net Cash (Required) Provided for Financing Activities</b>	\$ (10,511)	\$ 5,388
<b>Effect of Exchange Rate Changes</b>	(658)	(2,165)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ 357	\$ (5,856)
<b>Cash and Cash Equivalents at Beginning of Year</b>	715	6,571
<b>Cash and Cash Equivalents at End of Year</b>	\$ 1,072	\$ 715

PAUL MUELLER COMPANY  
SUMMARIZED NOTES TO THE FINANCIAL STATEMENTS  
(In thousands)

- A. The chart below depicts the net revenue on a consolidating basis for the three months ended December 31.

Three Months Ended December 31		
Revenue	2019	2018
Domestic	\$40,310	\$31,188
Mueller BV	\$15,043	\$14,730
Eliminations	(\$87)	(\$300)
Net Revenue	\$55,266	\$45,618

The chart below depicts the net revenue on a consolidating basis for the twelve months ended December 31.

Twelve Months Ended December 31		
Revenue	2019	2018
Domestic	\$144,500	\$137,090
Mueller BV	\$54,436	\$65,341
Eliminations	(\$1,759)	(\$1,221)
Net Revenue	\$197,177	\$201,210

The chart below depicts the net income on a consolidating basis for the three months ended December 31.

Three Months Ended December 31		
Net Income	2019	2018
Domestic	\$3,319	\$995
Mueller BV	\$192	(\$1,150)
Eliminations	\$54	\$15
Net Income	\$3,565	(\$140)

The chart below depicts the net income on a consolidating basis for the twelve months ended December 31.

Twelve Months Ended December 31		
Net Income	2019	2018
Domestic	\$7,412	\$4,686
Mueller BV	(\$805)	(\$2,083)
Eliminations	(\$18)	\$36
Net Income	\$6,589	\$2,639

- B. Please refer to the President's letter in the 2019 Annual Report for relevant management discussion and analysis.
- C. The pre-tax results for the three months ended December 31, 2019, were favorably affected by a \$0.5 million decrease in the LIFO reserve. The pre-tax results for the twelve months ended December 31, 2019, were favorably affected by a \$44,000 decrease in the LIFO reserve. The pre-tax results for the three months ended December 31, 2018, were favorably affected by a \$0.1 million decrease in the LIFO reserve. The pre-tax results for the twelve months ended December 31, 2018, were unfavorably affected by a \$2.1 million increase in the LIFO reserve.
- D. 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 1.14 for December, 2018 and 1.12 for December, 2019, 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 in the Company's Annual Report under "Safe Harbor for Forward-Looking Statements", 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 2019 annual report, available at [www.paulmueller.com](http://www.paulmueller.com).**