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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)

	Three Mo Dece	onths mber		Twelve Mon Decemi	 ded
	 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
Eamings (Loss) per Common Share – Basic	\$2.98		(\$0.12)	\$5.51	\$2.21
Diluted	\$2.98		(\$0.12)	\$5.51	\$2.21

	Twelve Mon Decem	 led
	 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

	De	cember 31 2019	De	cember 31 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		2,06
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		22,49
Long-Term Net Investments in Sales-Type Leases		769		
Total Assets	\$	124,894	\$	130,18
Accounts Payable	\$	10,534	\$	11,17
Current Maturities and Short-Term debt		6,208		10,33
Current Lease Liabilities		485		
Other Current Liabilities		27,021		26,13
Current Liabilities	\$	44,248	\$	47,64
Long-Term Debt		15,334		21,47
Long-Term Pension Liabilities		30,395		32,08
Other Long-Term Liabilities		1,566		1,36
Lease Liabilities		936		
Total Liabilities		92,479		102,56
Shareholders' Investment		32,415		27,62
Total Liabilities and Shareholders' Investment	\$	124,894	\$	130,18

		SELE	CTED FI	NANCIAL D	ATA						
							Dec	cember 31	Dec	cember 31	
								2019		2018	
Book Value per C	Common Share							\$27.11		\$23.10	
Total Shares Out	standing							1,195,866		1,196,187	
Backlog							\$	79,791	\$	97,354	
	CONSOLID	ATED STATE	EMENT O	F SHAREHO	LDERS'	INVESTMENT					
									Aco	cumulated	
										Other	
	(Common								prehensive	
		Stock	Paid-i	n Surplus	Retain	ed Earnings	Trea	asury Stock	Inco	ome (Loss)	 Total
Balance, December 31, 2018	\$	1,508	\$	9,708	\$	61,895	\$	(6,332)	\$	(39,151)	\$ 27,628
Add (Deduct):											
Net Income						6,589					6,589
Other Comprehensive Income, Net of Tax										(1,793)	(1,793)
Treasury Stock Acquisition								(9)			(9)
Balance, December 31, 2019	\$	1,508	\$	9,708	\$	68,484	\$	(6,341)	\$	(40,944)	\$ 32,415

Adjustment to Reconcile Net Income to Net Cash Provided (Required) by Operating Activities: (2.990) (4.01) Bad Debt Expense (2.990) (4.01) Bad Debt Expense (2.848) 5.77 Deferred Tax Expense 979 1.18 (Gain) Loss on Sales of Equipment (36) (16) Interest on Lease Liability for Financing (17) (7) Change in Assets and Liabilities (1100) (4.85 (Inc) Dec in Cost in Excess of Estimated Earnings and Billings (86) (18) Dec (Inc) in Inventories (814) (200) (Inc) Dec in Deriver Settimated Earnings and Billings (822) (42) Dec (Inc) in Other Assets 52 (6) (Inc) Dec in Defered Taxes (816) (1000) Dec (Inc) In Other Assets 52 (5) (Dec) Inc in Advanced Expenses (1.1000) (1.800) (In Cloce) In Lease Liability for Financing (1.800) (1.800) (In Cloce) In Lease Liability for Financing (1.800) (1.800) (Dec) Inc in Advanced Expenses (1.1000) (1.800) (In Cloce) In Lease Liability for Financing (1.800) (1.800)<		lve Months Ended cember 31, 2019	E Dece	ve Months Ended ember 31, 2018
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Cash and Cash Equivalents at Beginning of Year 715 6,57	Effect of Exchange Rate Changes	 (658)		(2,16
	Net Increase (Decrease) in Cash and Cash Equivalents	\$ 357	\$	(5,85
	Cash and Cash Equivalents at Beginning of Year	715		6,57
		 	-	71

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 Mon	ths Ended Decei	mber 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 Mor	nths Ended Dece	mber 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 <i>,</i> 083)				
Eliminations	(\$18)	\$36				
Net Income	\$6,589	\$2 <i>,</i> 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 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 \$0.1 million decrease 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. 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 <u>www.paulmueller.com</u>.