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For Immediate Release

## Paul Mueller Company Announces Its Fourth Quarter Earnings of 2020

Springfield, Missouri – March 19, 2021, Paul Mueller Company (OTC: MUEL) today announced earnings for the quarter ended December 31, 2020.

### PAUL MUELLER COMPANY TWELVE-MONTH REPORT

(In thousands)

CONSOLIDATED STATEMENTS OF INCOME					
	Three Months Ended December 31		Twelve Months Ended December 31		
	2020	2019	2020	2019	
Net Sales	\$ 54,126	\$ 55,266	\$ 201,116	\$ 197,177	
Cost of Sales	37,908	38,552	140,313	142,435	
Gross Profit	\$ 16,218	\$ 16,714	\$ 60,803	\$ 54,742	
Selling, General and Administrative Expense	10,999	11,971	44,155	45,672	
Goodwill Impairment Expense	15,397	-	15,397	-	
Operating Income (Loss)	\$ (10,178)	\$ 4,743	\$ 1,251	\$ 9,070	
Interest Expense	(173)	(19)	(992)	(827)	
Other Income (Expense)	339	(15)	1,208	351	
Income (Loss) before Provision (Benefit) for Income Taxes	\$ (10,012)	\$ 4,709	\$ 1,467	\$ 8,594	
Provision for Income Taxes	1,263	1,144	4,024	2,005	
Net Income (Loss)	\$ (11,275)	\$ 3,565	\$ (2,557)	\$ 6,589	
Earnings (Loss) per Common Share — Basic	(\$9.43)	\$2.98	(\$2.14)	\$5.51	
Diluted	(\$9.43)	\$2.98	(\$2.14)	\$5.51	
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME					
			Twelve Months Ended December 31		
			2020	2019	
Net Income (Loss)			\$ (2,557)	\$ 6,589	
Other Comprehensive Income (Loss), Net of Tax:					
Foreign Currency Translation Adjustment			3,419	(589)	
Change in Pension Liability			(2,730)	(1,204)	
Comprehensive Income (Loss)			\$ (1,868)	\$ 4,796	
CONSOLIDATED BALANCE SHEETS					
			December 31 2020	December 31 2019	
Cash and Short-Term Investments			\$ 22,943	\$ 1,072	
Accounts Receivable			20,462	28,509	
Inventories			17,926	20,552	
Current Net Investments in Sales-Type Leases			3	47	
Other Current Assets			1,771	3,763	
Current Assets			\$ 63,105	\$ 53,943	
Net Property, Plant, and Equipment			46,570	47,406	
Right of Use Assets			2,448	1,421	
Other Assets			8,732	21,355	
Long-Term Net Investments in Sales-Type Leases			83	769	
Total Assets			\$ 120,938	\$ 124,894	
Accounts Payable			\$ 11,316	\$ 10,534	
Current Maturities and Short-Term debt			2,115	6,208	
Current Lease Liabilities			519	485	
Other Current Liabilities			24,656	27,021	
Current Liabilities			\$ 38,606	\$ 44,248	
Long-Term Debt			18,440	15,334	
Long-Term Pension Liabilities			30,047	30,395	
Other Long-Term Liabilities			2,226	1,566	
Lease Liabilities			1,075	936	
Total Liabilities			\$ 90,394	\$ 92,479	
Shareholders' Investment			30,544	32,415	
Total Liabilities and Shareholders' Investment			\$ 120,938	\$ 124,894	

**SELECTED FINANCIAL DATA**

	December 31 2020	December 31 2019
Book Value per Common Share	\$25.54	\$27.11
Total Shares Outstanding	1,195,747	1,195,866
Backlog	\$ 61,563	\$ 79,791

**CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT**

	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance, December 31, 2019</b>	\$ 1,508	\$ 9,708	\$ 68,484	\$ (6,341)	\$ (40,944)	\$ 32,415
<b>Add (Deduct):</b>						
Net Income (Loss)			(2,557)			(2,557)
Other Comprehensive Income, Net of Tax					689	689
Treasury Stock Acquisition				(3)		(3)
<b>Balance, December 31, 2020</b>	\$ 1,508	\$ 9,708	\$ 65,927	\$ (6,344)	\$ (40,255)	\$ 30,544

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
<b>Operating Activities:</b>		
Net Income (Loss)	\$ (2,557)	\$ 6,589
Adjustment to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Pension Contributions (Greater) Less than Expense	(3,078)	(2,890)
Bad Debt Expense	168	398
Depreciation & Amortization	7,083	6,248
Deferred Tax Expense	533	979
Loss (Gain) on Sales of Equipment	5	(36)
Goodwill Impairment Expense	15,397	-
Interest on Lease Liability for Financing	(18)	(17)
Change in Assets and Liabilities		
Dec (Inc) in Accts and Notes Receivable	7,879	(1,100)
Dec (Inc) in Cost in Excess of Estimated Earnings and Billings	1,198	(985)
Dec in Inventories	2,626	6,126
Dec (Inc) in Prepayments	165	(644)
Dec (Inc) in Net Investment in Sales-Type Leases	730	(816)
(Inc) Dec in Other Assets	(450)	52
(Inc) in Deferred Taxes	(866)	(382)
Inc (Dec) in Accounts Payable	782	(642)
Inc (Dec) in Accrued Expenses	5,138	(1,006)
(Dec) in Advanced Billings	(1,241)	(6,327)
(Dec) Inc in Billings in Excess of Costs and Estimated Earnings	(6,262)	8,223
Inc in Lease Liability for Operating	296	1,189
Inc in Lease Liability for Financing	487	770
Principal payments on Lease Liability for Operating	(323)	(374)
Inc in Long Term Liabilities	660	206
<b>Net Cash Provided by Operating Activities</b>	\$ 28,352	\$ 15,561
<b>Investing Activities</b>		
Intangibles	-	(118)
Proceeds from Sales of Equipment	14	49
Additions to Property, Plant, and Equipment	(7,253)	(4,340)
<b>Net Cash (Required) for Investing Activities</b>	\$ (7,239)	\$ (4,409)
<b>Financing Activities</b>		
Principal payments on Lease Liability for Financing	(269)	(147)
(Repayment) of Short-Term Borrowings, Net	(4,150)	(4,088)
Proceeds (Repayment) of Long-Term Debt	2,230	(5,893)
Treasury Stock Acquisitions	(3)	(9)
<b>Net Cash (Required) for Financing Activities</b>	\$ (2,192)	\$ (10,137)
<b>Effect of Exchange Rate Changes</b>	2,950	(658)
<b>Net Increase in Cash and Cash Equivalents</b>	\$ 21,871	\$ 357
<b>Cash and Cash Equivalents at Beginning of Year</b>	1,072	715
<b>Cash and Cash Equivalents at End of Year</b>	\$ 22,943	\$ 1,072

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	2020	2019
Domestic	\$41,909	\$40,310
Mueller BV	\$12,306	\$15,043
Eliminations	(\$89)	(\$87)
Net Revenue	\$54,126	\$55,266

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

Twelve Months Ended December 31		
Revenue	2020	2019
Domestic	\$154,888	\$144,500
Mueller BV	\$47,213	\$54,436
Eliminations	(\$985)	(\$1,759)
Net Revenue	\$201,116	\$197,177

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	2020	2019
Domestic	\$3,959	\$3,319
Mueller BV	(\$15,189)	\$192
Eliminations	(\$45)	\$54
Net Income	(\$11,275)	\$3,565

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	2020	2019
Domestic	\$12,184	\$7,412
Mueller BV	(\$14,758)	(\$805)
Eliminations	\$17	(\$18)
Net Income	(\$2,557)	\$6,589

- B. Please refer to the President's letter in the 2020 Annual Report for relevant management discussion and analysis including the \$15.4 million impairment of goodwill related to the 2008 acquisition of Mueller BV.
- C. The pre-tax results for the three months ended December 31, 2020, were favorably affected by a \$57,000 decrease in the LIFO reserve. The pre-tax results for the twelve months ended December 31, 2020, were favorably affected by a \$0.3 million decrease in the LIFO reserve. 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.
- 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 1.12 for December, 2019 and 1.23 for December, 2020, 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 2020 annual report, available at [www.paulmueller.com](http://www.paulmueller.com).**