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For Immediate Release

Paul Mueller Company Announces Its First Quarter Earnings of 2021

Springfield, Missouri – April 30, 2021, Paul Mueller Company (OTC: MUEL) today announced earnings for the quarter ended March 31, 2021.

PAUL MUELLER COMPANY THREE-MONTH REPORT Unaudited

(In thousands)

CONSOLIDATED STATEMENTS OF INCOME				
	Three Months Ended March 31		Twelve Months Ended March 31	
	2021	2020	2021	2020
Net Sales	\$ 45,279	\$ 42,160	\$ 204,235	\$ 197,455
Cost of Sales	31,838	30,299	141,852	140,908
Gross Profit	\$ 13,441	\$ 11,861	\$ 62,383	\$ 56,547
Selling, General and Administrative Expense	11,308	10,505	44,958	44,678
Goodwill Impairment Expense	-	-	15,397	-
Operating Income	\$ 2,133	\$ 1,356	\$ 2,028	\$ 11,869
Interest Expense	(451)	(615)	(828)	(1,034)
Other Income	38	437	809	511
Income before Provision for Income Taxes	\$ 1,720	\$ 1,178	\$ 2,009	\$ 11,346
Provision for Income Taxes	419	303	4,140	2,802
Net Income (Loss)	\$ 1,301	\$ 875	\$ (2,131)	\$ 8,544
Earnings (Loss) per Common Share — Basic	\$1.19	\$0.73	(\$1.94)	\$7.15
Diluted	\$1.19	\$0.73	(\$1.94)	\$7.15

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME			
	Three Months Ended March 31		
	2021	2020	
Net Income	\$ 1,301	\$ 875	
Other Comprehensive Income, Net of Tax:			
Foreign Currency Translation Adjustment	(1,275)	(647)	
Comprehensive Income	\$ 26	\$ 228	

CONSOLIDATED BALANCE SHEETS			
	March 31 2021	December 31 2020	
Cash and Short-Term Investments	\$ 15,559	\$ 22,943	
Accounts Receivable	21,954	20,462	
Inventories	21,612	17,926	
Current Net Investments in Sales-Type Leases	3	3	
Other Current Assets	2,368	1,771	
Current Assets	\$ 61,496	\$ 63,105	
Net Property, Plant, and Equipment	43,908	46,570	
Right of Use Assets	2,379	2,448	
Other Assets	9,285	8,732	
Long-Term Net Investments in Sales-Type Leases	98	83	
Total Assets	\$ 117,166	\$ 120,938	
Accounts Payable	\$ 13,541	\$ 11,316	
Current Maturities and Short-Term debt	1,510	2,115	
Current Lease Liabilities	492	519	
Other Current Liabilities	24,898	24,656	
Current Liabilities	\$ 40,441	\$ 38,606	
Long-Term Debt	17,465	18,440	
Long-Term Pension Liabilities	29,087	30,047	
Other Long-Term Liabilities	2,647	2,226	
Lease Liabilities	957	1,075	
Total Liabilities	\$ 90,597	\$ 90,394	
Shareholders' Investment	26,569	30,544	
Total Liabilities and Shareholders' Investment	\$ 117,166	\$ 120,938	

SELECTED FINANCIAL DATA

	March 31 2021	December 31 2020
Book Value per Common Share	\$24.25	\$25.54
Total Shares Outstanding	1,095,718	1,195,747
Backlog	\$ 69,013	\$ 61,563

CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT

	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2020	\$ 1,508	\$ 9,708	\$ 65,927	\$ (6,344)	\$ (40,255)	\$ 30,544
Add (Deduct):						
Net Income			1,301			1,301
Other Comprehensive Income, Net of Tax					(1,275)	(1,275)
Treasury Stock Acquisition				(4,001)		(4,001)
Balance, March 31, 2021	\$ 1,508	\$ 9,708	\$ 67,228	\$ (10,345)	\$ (41,530)	\$ 26,569

CONSOLIDATED STATEMENT OF CASH FLOWS

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Operating Activities:		
Net Income	\$ 1,301	\$ 875
Adjustment to Reconcile Net Income to Net Cash (Required) Provided by Operating Activities:		
Pension Contributions (Greater) Less than Expense	(960)	(903)
Bad Debt Expense (Recovery)	(32)	(10)
Depreciation & Amortization	1,652	1,604
(Gain) Loss on Sales of Equipment	(3)	(2)
Change in Assets and Liabilities		
(Inc) Dec in Accts and Notes Receivable	(1,460)	5,572
(Inc) Dec in Cost in Excess of Estimated Earnings and Billings	(478)	274
(Inc) in Inventories	(3,213)	(4,728)
(Inc) Dec in Prepayments	(118)	154
(Inc) in Net Investment in Sales-type leases	(15)	(26)
(Inc) Dec in Other LT Assets	(72)	52
Inc in Accounts Payable	2,225	2,215
(Dec) Inc in Other Accrued Expenses	(4,131)	1,387
Inc in Advanced Billings	5,580	7,871
(Dec) Inc in Billings in Excess of Costs and Estimated Earnings	(1,204)	1,941
Inc (Dec) in Lease Liability for Operating	24	(14)
Inc (Dec) in Lease Liability for Financing	43	(11)
Principal payments of Lease Liability for Operating	(69)	(25)
(Dec) Inc in Long Term Liabilities	(72)	58
Net Cash (Required) Provided by Operating Activities	\$ (1,002)	\$ 16,284
Investing Activities		
Proceeds from Sales of Equipment	9	2
Additions to Property, Plant, and Equipment	(812)	216
Net Cash (Required) Provided for Investing Activities	\$ (803)	\$ 218
Financing Activities		
Principal payments of Lease Liability for Financing	(69)	-
(Repayment) of Short-Term Borrowings, Net	(605)	(4,896)
(Repayment) Proceeds of Long-Term Debt	(353)	1,112
Treasury Stock Acquisitions	(4,001)	(3)
Net Cash (Required) for Financing Activities	\$ (5,028)	\$ (3,787)
Effect of Exchange Rate Changes	(551)	(765)
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (7,384)	\$ 11,950
Cash and Cash Equivalents at Beginning of Year	22,943	1,072
Cash and Cash Equivalents at End of Quarter	\$ 15,559	\$ 13,022

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 March 31.

Three Months Ended March 31			
Revenue	2021	2020	
Domestic	\$ 33,497	\$ 29,624	
Mueller BV	\$ 12,027	\$ 12,801	
Eliminations	\$ (245)	\$ (265)	
Net Revenue	\$ 45,279	\$ 42,160	

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

Twelve Months Ended March 31			
Revenue	2021	2020	
Domestic	\$ 158,761	\$ 146,212	
Mueller BV	\$ 46,439	\$ 52,574	
Eliminations	\$ (965)	\$ (1,331)	
Net Revenue	\$ 204,235	\$ 197,455	

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

Three Months Ended March 31			
Net Income	2021	2020	
Domestic	\$ 1,683	\$ 925	
Mueller BV	\$ (394)	\$ (54)	
Eliminations	\$ 12	\$ 4	
Net Income	\$ 1,301	\$ 875	

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

Twelve Months Ended March 31			
Net Income	2021	2020	
Domestic	\$ 12,942	\$ 9,393	
Mueller BV	\$ (15,098)	\$ (865)	
Eliminations	\$ 25	\$ 16	
Net Income	\$ (2,131)	\$ 8,544	

- B.** March 31, 2021 backlog is \$69.0 million compared to \$61.6 million at December 31, 2020. However, when comparing current backlog to the March 31, 2020 backlog, it has dropped 35.7% from \$107.3 million. Of this \$38.3 million reduction, \$17.7 million is the pharmaceutical divisions finishing up the large pharmaceutical orders and \$29.1 million as Mueller Field Operations (MFO) made significant progress on the large juice storage facility project. The backlog in the other U.S. business units is up \$11.0 million (48.7%) led by Dairy Farm Equipment (DFE), and the other Industrial Equipment business units. Mueller BV backlog is down \$2.2 million from a year ago to \$8.5 million.
- C.** Revenue for the three months is up 7.4% from a year ago led by a rebound in DFE and MFO's continued work on the juice storage facility. Revenue for the trailing twelve months is up 3.4% driven by the large juice facility project. In the Netherlands, revenue is down slightly from the year before for three months and down 11.7% for the trailing twelve months as the general economy and Covid-19 continue to have a negative effect.
- D.** Net income for the three months was \$1.3 million which is an improvement of \$0.4 million over the first quarter of last year even after a negative \$0.7 million after tax LIFO effect. The largest contributor to the improvement in the U.S. is the rebound of DFE from historical lows. In the Netherlands, net income is down \$0.3 million primarily from lower revenues.

Net income for the trailing twelve months is a \$2.1 million loss. However, when the \$15.4 million goodwill impairment for the Mueller BV acquisition is excluded, net income would be \$13.3 million, a \$4.7 million (55.3%) improvement over the previous trailing twelve months' net income even after absorbing a \$0.9 million after tax negative impact from the LIFO reserve. Almost every business segment had improved profits, led by the pharmaceutical groups, DFE and MFO. In the Netherlands, net income would be \$0.3 million when excluding the goodwill impairment. This is an improvement over the \$0.9 million loss in the prior twelve months even with lower revenue.

- E.** The Company was granted a loan in the amount of \$1.9 million, pursuant to the Paycheck Protection Program under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan, which was in the form of a note dated June 12, 2020, issued to the Company, matures on June 11, 2025, and bears interest at a rate of 1% per annum, with a deferral of payments for the first six months. The note may be prepaid by the Company at any time prior to maturity with no prepayment penalties. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, and maintains its payroll levels. The Company filed for forgiveness of the loan on November 17, 2020, and is waiting for a response.
- F.** On February 5, 2021, the Company repurchased 100,000 shares of stock at \$40 a share from a shareholder in a private transaction. In addition, as of March 31, 2021, the Company purchased 29 shares under the buyback program announced on March 19, 2021.

- G.** The pre-tax results for three months ended March 31, 2021, were unfavorably affected by \$0.9 million increase in the LIFO reserve. The pre-tax results for the twelve months ended March 31, 2021, were unfavorably affected by \$0.5 million increase in the LIFO reserve. The pre-tax results for the twelve months ended March 31, 2020, were favorably affected by a \$0.7 million decrease in the LIFO reserve.
- H.** 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 1.10 for March, 2020; 1.23 for December, 2020 and 1.17 for March, 2021, 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 2020 annual report, available at www.paulmueller.com.