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For Immediate Release

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Paul Mueller Company Announces Its Fourth Quarter Earnings of 2022

**PAUL MUELLER COMPANY
TWELVE-MONTH REPORT
(In thousands)**

CONSOLIDATED STATEMENTS OF INCOME					
	Three Months Ended December 31		Twelve Months Ended December 31		
	2022	2021	2022	2021	
Net Sales	\$ 59,002	\$ 46,993	\$ 191,520	\$ 184,613	
Cost of Sales	50,082	37,461	152,286	141,558	
Gross Profit	\$ 8,920	\$ 9,532	\$ 39,234	\$ 43,055	
Selling, General and Administrative Expense	4,679	9,756	35,011	38,493	
Operating Income (Loss)	\$ 4,241	\$ (224)	\$ 4,223	\$ 4,562	
Interest Expense	(87)	(98)	(697)	(742)	
PPP Loan Forgiveness	-	-	-	1,884	
Other Income	939	2,780	1,115	2,844	
Income before Provision for Income Taxes	\$ 5,093	\$ 2,458	\$ 4,641	\$ 8,548	
Provision for Income Taxes	1,193	496	1,032	1,547	
Net Income	\$ 3,900	\$ 1,962	\$ 3,609	\$ 7,001	
Earnings per Common Share — Basic and Diluted	\$3.59	\$1.81	\$3.32	\$6.44	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME			
	Twelve Months Ended December 31		
	2022	2021	
Net Income	\$ 3,609	\$ 7,001	
Other Comprehensive Income (Loss), Net of Tax:			
Foreign Currency Translation Adjustment	(1,416)	(1,889)	
Change in Pension Liability	1,262	6,206	
Comprehensive Income	\$ 3,455	\$ 11,318	

CONSOLIDATED BALANCE SHEETS			
	December 31 2022	December 31 2021	
Cash and Short-Term Investments	\$ 38,176	\$ 11,281	
Accounts Receivable	20,580	25,774	
Inventories (FIFO)	48,515	43,309	
LIFO Reserve	(21,691)	(16,855)	
Inventories (LIFO)	26,824	26,454	
Current Net Investments in Sales-Type Leases	24	23	
Other Current Assets	3,156	1,814	
Current Assets	\$ 88,760	\$ 65,346	
Net Property, Plant, and Equipment	41,511	41,250	
Right of Use Assets	2,304	2,526	
Other Assets	5,041	7,003	
Long-Term Net Investments in Sales-Type Leases	312	164	
Total Assets	\$ 137,928	\$ 116,289	
Accounts Payable	\$ 11,802	\$ 14,470	
Current Maturities and Short-Term debt	628	1,330	
Current Lease Liabilities	448	483	
Advance Billings	41,288	18,595	
Pension Liabilities	11,558	-	
Other Current Liabilities	20,062	9,096	
Current Liabilities	\$ 85,786	\$ 43,974	
Long-Term Debt	9,349	14,241	
Long-Term Pension Liabilities	236	18,036	
Other Long-Term Liabilities	1,737	1,848	
Lease Liabilities	762	897	
Total Liabilities	\$ 97,870	\$ 78,996	
Shareholders' Investment	40,058	37,293	
Total Liabilities and Shareholders' Investment	\$ 137,928	\$ 116,289	

SELECTED FINANCIAL DATA

	December 31 2022	December 31 2021
Book Value per Common Share	\$36.90	\$34.32
Total Shares Outstanding	1,085,711	1,086,661
Backlog	\$ 132,829	\$ 78,357

CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT

	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2021	\$ 1,508	\$ 9,708	\$ 72,764	\$ (10,749)	\$ (35,938)	\$ 37,293
Add (Deduct):						
Net Income			3,609			3,609
Other Comprehensive Income, Net of Tax					(154)	(154)
Dividends, \$.60 per Common Share			(652)			(652)
Treasury Stock Acquisition				(38)		(38)
Balance, December 31, 2022	\$ 1,508	\$ 9,708	\$ 75,721	\$ (10,787)	\$ (36,092)	\$ 40,058

CONSOLIDATED STATEMENT OF CASH FLOWS

	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2021
Operating Activities:		
Net Income	\$ 3,609	\$ 7,001
Adjustment to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Pension Contributions (Greater) than Expense	(4,980)	(5,805)
Bad Debt Expense (Recovery)	81	(528)
Depreciation & Amortization	6,156	6,547
Deferred Tax Expense	831	1,792
(Gain) on Sales of Equipment	(1)	(57)
(Gain) Recognized on Sale of Subsidiary	-	(3,208)
Interest on Lease Liability for Financing	-	(15)
PPP Loan Forgiveness	-	(1,884)
Change in Assets and Liabilities		
Dec (Inc) in Accts and Notes Receivable	5,113	(1,116)
(Inc) in Cost in Excess of Estimated Earnings and Billings	-	(2,380)
(Inc) in Inventories	(370)	(8,578)
(Inc) Dec in Prepayments	(1,052)	3
(Inc) in Net Investment in Sales-Type Leases	(149)	(101)
Dec (Inc) in Other Assets	347	(1,801)
Dec in Deferred Taxes	437	1,968
(Dec) Inc in Accounts Payable	(2,668)	3,748
(Dec) in Accrued Income Tax	-	(591)
Inc (Dec) in Accrued Expenses	414	(5,487)
Inc in Advanced Billings	22,693	11,498
Inc (Dec) in Billings in Excess of Costs and Estimated Earnings	10,552	(672)
Inc in Lease Liability for Operating	421	255
Inc in Lease Liability for Financing	33	103
Principal payments on Lease Liability for Operating	(350)	(298)
(Dec) in Long Term Liabilities	(111)	(378)
Net Cash Provided by Operating Activities	\$ 41,006	\$ 16
Investing Activities		
Intangibles	-	(105)
Proceeds from Sales of Equipment	26	81
Additions to Property, Plant, and Equipment	(9,067)	(5,262)
Net Cash (Required) for Investing Activities	\$ (9,041)	\$ (5,286)
Financing Activities		
Principal payments on Lease Liability for Financing	(201)	(259)
(Repayment) of Short-Term Borrowings, Net	(642)	(590)
(Repayment) of Long-Term Debt	(4,045)	(1,653)
Dividends paid	(652)	(164)
Treasury Stock Acquisitions	(38)	(4,405)
Net Cash (Required) for Financing Activities	\$ (5,578)	\$ (7,071)
Effect of Exchange Rate Changes	508	679
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 26,895	\$ (11,662)
Cash and Cash Equivalents at Beginning of Year	11,281	22,943
Cash and Cash Equivalents at End of Year	\$ 38,176	\$ 11,281

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	2022	2021
Domestic	\$47,299	\$32,897
Mueller BV	\$12,002	\$14,451
Eliminations	(\$299)	(\$355)
Net Revenue	\$59,002	\$46,993

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

Twelve Months Ended December 31		
Revenue	2022	2021
Domestic	\$145,193	\$137,079
Mueller BV	\$47,356	\$48,820
Eliminations	(\$1,029)	(\$1,286)
Net Revenue	\$191,520	\$184,613

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	2022	2021
Domestic	\$3,861	\$961
Mueller BV	\$52	\$963
Eliminations	(\$13)	\$38
Net Income	\$3,900	\$1,962

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	2022	2021
Domestic	\$4,517	\$7,328
Mueller BV	(\$903)	(\$365)
Eliminations	(\$5)	\$38
Net Income	\$3,609	\$7,001

- B. Please refer to the President's letter and footnotes in the 2022 Annual Report for relevant management discussion and analysis.
- C. The pre-tax results for the three months ended December 31, 2022, were unfavorably affected by a \$0.4 million increase in the LIFO reserve. The pre-tax results for the twelve months ended December 31, 2022, were unfavorably affected by a \$4.8 million increase in the LIFO reserve. The pre-tax results for the three months ended December 31, 2021, were unfavorably affected by a \$1.20 million increase in the LIFO reserve. The pre-tax results for the twelve months ended December 31, 2021, were unfavorably affected by a \$4.0 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 1.13 for December, 2021 and 1.07 for December, 2022, 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 2022 annual report, available at www.paulmueller.com/investors.